

CHAIRMAN'S ADDRESS

WILSON LEADERS LIMITED ANNUAL GENERAL MEETING

Monday 13th November 2006 – 2.00pm.

SMC

**Ionic Room, Ground Floor
66 Goulburn Street
Sydney NSW 2000**

1. INTRODUCTION

Good afternoon, welcome to the third annual general meeting of Wilson Leaders Ltd (WLS). Thank you for your attendance and for your support since we listed on February 2004.

My name is Geoff Wilson, I am chairman of the board of directors and I will be chairing this meeting today. I would like to introduce the other members of the board – Justin Braitling, Matthew Kidman, John Abernethy and Julian Gosse.

2. MISSION

The Mission of Wilson Leaders Ltd is to deliver attractive returns to investors over time by adopting an absolute return approach to investment decisions. Wilson Leaders Ltd (WLS) is an investment company. Wilson Leaders Ltd is managed by KWB Capital Pty Ltd (KWB) KWB is owned by entities associated with Justin Braitling, Geoff Wilson and Matthew Kidman.

3. PERFORMANCE

We are pleased to report that the company has performed strongly in its third year of operation. In the year to June 2006 the Gross Portfolio increased 32.1% while the All Ordinary Accumulation Index rose 24.2%. For the 2005 year WLS made an operating profit before tax of \$15.3 million and an after tax profit of \$11.1 million. Declared a full year dividend of 6.0 cents per share fully franked and a special dividend of 2.0 per share fully franked equivalent to \$4.2 million. The current year has started solidly.

The portfolio's performance was a consequence of good sector selection and a strong contribution from shorts positions held in the final quarter of the year when the market consolidated. The fund has benefited from sizable investments in international growth stocks such as News Corp, Brambles and Aristocrat while avoiding the domestic cyclicals that struggled through 2006 in a weak domestic economy. The fund has also avoided a lot of the so called "defensive" segments of the market which underperformed through the year, such as infrastructure and utilities. These sectors have always looked expensive to us particularly against their international peers. Telecom stocks also fit into this category but have suffered further from the structural deterioration in that industry. The fund has held a significant short position in Telstra for most of 2006 contributing to performance. A number of the funds investments in smaller growth franchises such as Credit Corp also contributed to performance over the period.

Fellow director and Chief Investment Officer Justin Braitling will be outlining the investment process later.

4. DISCOUNT TO NTA

Since listing, the Assets of the company before tax has increased to over \$1.29 cents a share or \$1.23 on a diluted basis. The share price is trading at \$1.09 an 11.4% discount to the value of the company's assets. I have been asked by a number of shareholders why the share price has not risen with the increase in Assets of the company. We believe this is a phenomenon that will change over time with the establishment of a performance track record as a public company

5. CAPITAL MANAGEMENT- BUY BACK, OPTION ISSUE

The company completed a 10% share Buy Back during the year which had the effect of increasing the value of the company per share. When shares are bought back at a discount to NTA it benefits current shareholders as the NTA increases. The Board looked at various ways by which to grow the company's capital base and concluded the most equitable was via an option issue to all shareholders. The issue was on a 1 for 2 basis with an exercise price of \$1.08. The options trade as a separate security (WLSO 6.5c). Shareholders can exercise their options anytime up until 31st October 2007. It also gives current option holders the opportunity to sell and new shareholders an opportunity to invest.

6. PORTFOLIO

The portfolio is currently fully invested consistent with our outlook for modest returns from equities through the balance of the year. In terms of sector allocation the portfolio is well balance with the absence of any exposure to property trusts, which we believe are overvalued. The fund has sizable positions in the major banks and diversified miners given our optimistic view of the outlook for these important sectors. We are under represented in a number of low return cyclical sectors which continue to represent a key source of short funding. As the cycle matures we are moving into an environment where stock selection becomes more important, we are very happy with the current structure of the portfolio and expect it will deliver solid returns in this financial year we have started the year very well having participated in a number of the corporate transactions announced in recent months. While the corporate activity has seen a lot of our short positions move against us we have still performed solidly and would expect to benefit from weakness in these companies share prices, which now look overvalued, as the year progresses we see further upside in international equities generally and while Australian shares are more fully valued they should participate in ongoing appreciation of equity markets.

7. GOAL

The primary goal of the fund is to deliver superior returns to investors over time by way of dividend and capital gain. As an absolute return fund the manager has the option of short selling securities shifting capital back into cash and liquid securities and buying back shares.

8. DIVIDEND POLICY

It is the board's intention to increase the ordinary dividend paid each year. Obviously this will be dependent on realised profit. After the strong start to the current year it is anticipated dividends will be increased, assuming franking credits are available.

I have included a list of our major holdings as at 30th September 2006.

	Market Value \$	% of Portfolio		Market Value \$	% of Portfolio
Commercial Services & Supplies			Banks		
Brambles Industries Ltd (BIL)	1,912,500	1.84%	ANZ Banking Corp (ANZ)	11,009,914	10.58%
Credit Corp Ltd (CCP)	3,899,219	3.75%	Comm Bank of Aust. Ltd (CBA)	2,072,459	1.99%
McMillan Shakespeare Ltd (MMS)	2,166,000	2.08%	St George Bank Ltd (SGB)	4,294,080	4.13%
	7,977,719	7.67%	Westpac Banking Corp (WBC)	5,928,196	5.70%
Consumer Services				23,304,648	22.40%
ABC Learning (ABS)	2,290,653	2.20%	Insurance		
Aristocrat Leisure Ltd (ALL)	3,234,681	3.11%	AMP Limited (AMP)	1,788,000	1.72%
Tabcorp Ltd (TAH)	1,828,710	1.76%	QBE Insurance Group Ltd (QBE)	2,940,000	2.83%
	7,354,044	7.07%		4,728,000	4.54%
Transportation			Software & Services		
Toll Holdings Ltd (TOL)	1,323,540	1.27%	Melbourne IT Ltd (MLB)	1,971,792	1.90%
	1,323,540	1.27%	Reckon Ltd (RKN)	1,470,321	1.41%
Media				3,442,114	3.31%
News Corp Class B (NWS)	2,823,600	2.71%	Food & Staples Retailing		
Publishing & Broadcasting Ltd (PBL)	2,236,800	2.15%	Metcash Limited (MTS)	2,734,200	2.63%
	5,060,400	4.86%		2,734,200	2.63%
Energy			Telecommunication Services		
Oil Search Ltd (OSH)	2,805,400	2.70%	B Digital Ltd (BBB)	1,582,527	1.52%
Woodside Petrol (WPL)	1,436,550	1.38%	Reverse Corp Ltd (REF)	687,500	0.66%
	4,241,950	4.08%	Singapore Telecomm Ltd (SGT)	1,378,840	1.33%
Materials			Telecom Corporation of NZ Ltd (TEL)	2,349,800	2.26%
BHP Billiton (BHP)	7,016,725	6.74%		5,998,668	5.77%
Boral Ltd (BLD)	1,360,000	1.31%	Utilities		
Gunns Ltd (GNS)	1,920,000	1.85%	Australian Gas Light Company (AGL)	1,608,750	1.55%
Incitec Pivot Ltd (IPL)	1,439,381	1.38%		1,608,750	1.55%
James Hardie Industries (JHX)	4,065,680	3.91%	Food Beverage & Tobacco		
Rinker Group Ltd (RIN)	2,757,500	2.65%	Cocacola Amatil (CCL)	1,538,700	1.48%
Rio Tinto Ltd (RIO)	4,847,415	4.66%	Select Harvests Ltd (SHV)	640,964	0.62%
	23,406,701	22.50%		2,179,664	2.09%
Pharmaceuticals & Biotechnology			Retailing		
Sigma Pharmaceuticals Ltd (SIP)	2,610,783	2.51%	Harvey Norman Holdings Ltd (HVN)	2,478,000	2.38%
	2,610,783	2.51%	The Reject Shop (TRS)	1,129,700	1.09%
Real Estate				3,607,700	3.47%
Lend Lease Corporation Ltd (LLC)	2,882,300	2.77%			
	2,882,300	2.77%			
Diversified Financials					
Allco Finance Group Ltd (AFG)	1,468,320	1.41%	TOTAL PORTFOLIO VALUE	104,046,500	100.00%
	1,468,320	1.41%			
Healthcare Equipment & Services					
AtCor Medical Ltd (ACG)	117,000	0.11%	SHORT POSITIONS	(35,304,694)	
	117,000	0.11%			

9. CONCLUSION

In conclusion I would like to thank the staff, directors and shareholders of Wilson Leaders for their continuing support. We look forward to an exciting future ahead together. We believe there are always opportunities and we look forward to the current year with optimism.

Now ladies and gentlemen we shall conduct the formal part of the meeting. All resolutions are ordinary resolutions and only require a simple majority of 50% of votes cast to be passed.

The first matter is to receive and consider the financial report, the directors' report and the auditors' report for the Company for the year ended 30 June 2006. Our auditor Scott Whiddett is in the audience. Shareholders can ask questions of the directors or auditor. Are there any questions?

I move that the financial report and the report of the directors and auditors for the financial year be adopted.

The second matter is to confirm that a final dividend of 5.0c a share be declared. I will take any questions at this time relating to the dividend.

I wish to announce that as chairman I hold 177 proxies of 4,510,974 for resolution 1 and 2,624 against resolution 1. I hold 170 proxies of 3,996,096 for resolution 2, and 421,152 against resolution 2. I also hold 166 proxies of 4,266,065 for resolution 3, and 21,538 against resolution 3.

The first resolution is "That Mr Matthew Kidman retired by rotation and having offered himself for re-election in accordance with Rule 6.4 of the constitution of the Company be re-elected as director of the Company." We will take any questions.

I hold proxies amounting to 4,510,974 in favour of this resolution and 2,624 against. I ask for a proposer, thank you, a seconder, thank you. Would the shareholders voting in favour of the resolution raise their hand?

Against?

I declare the resolution passed.

The second resolution is "That the Remuneration Report be adopted". This resolution is advisory only and does not bind the Company or its Directors. Are there any questions? I hold proxies amounting to 3,996,096 for and 421,152 against. I ask for a proposer, thank you, a seconder, thank you. Would those shareholders voting in favour of the resolution raise their hand?

Against?

I declare the resolution passed.

The final resolution is "That Grosvenor Schiliro be appointed as auditor of Wilson Leaders Limited, subject to the Australian Securities & Investment Commission giving its consent to the resignation of Moore Stephens Sydney." We will take any questions.

I hold proxies amounting to 4,266,065 in favour of this resolution and 21,538 against. I ask for a proposer, thank you, a seconder, thank you. Would the shareholders voting in favour of the resolution raise their hand?

Against?

I declare the resolution passed.

Thank you ladies and gentlemen for your time. I now declare the formal meeting closed.