

WILSON LEADERS LIMITED

(ACN 106 845 970)



28 February 2005

“Solid Result and Special Dividend”

RESULTS FOR HALF YEAR ENDED 31 DECEMBER 2004

SUMMARY

- Profit before tax was \$7.1m.
- Profit after tax was \$5.0 m.
- Dividend of 5.0 cents a share fully franked
(2.0 cent interim plus 3.0 cent special)
- Net tangible assets before all taxes was 118.3* cents a share.
- Net tangible assets before unrealised tax was 116.4* cents a share.
- After tax net tangible assets was 112.9* cents a share.

* Undiluted for options on issue

WILSON LEADERS LIMITED – SOLID RESULT

Wilson Leaders Limited (WLS) today announced a profit before tax for the six months to 31 December 2004 of \$7.1 million, and an after tax profit of \$5.0 million. As at 31 December 2004, the pre-tax net tangible asset backing (NTA) of WLS was \$47.8 million or \$1.183 per share.

WLS listed on the Australian Stock Exchange on 10 February 2004 with a NTA of 98.0 cents a share. Since then, the company has progressively invested the funds in a broad range of listed companies, with a focus on ASX /S&P 100 companies.

“We are pleased with the performance of the portfolio in the first half and believe we are well positioned for the remainder of the year,” said Geoff Wilson, Chairman of Wilson Leaders Limited.

The gross value of the portfolio increased by 15.9% over the reporting period. Since listing on 10 February 2004, the gross value of the fund has increased in value by 20.49%.

The performance of the portfolio since inception was pleasing given the high cash weighting held through the establishment phase.

ECONOMIC OUTLOOK

The international economy is expected to grow above trend again in 2005, a modest slow down from the 5% growth achieved in 2004.

The strong run of data from the US economy continues. A stronger labour market, continuing low interest rates and a 10% increase in household wealth last year have contributed to a solid boost to consumption as we move into the new year. Corporate profit growth of 20% in 2004 is feeding through to strong business investment further supporting economic growth.

Fundamentals in Japan, an important trading partner, continue to improve. There are expectations for modest growth in Europe. The authorities in China, have through selective credit restrictions, shifted the economy to a more sustainable level of growth.

The key risk however, both in Australia and internationally, lies with escalating factor costs as commodity and labour markets tighten. There are already some worrying signs of resurgent inflation putting pressure on interest rates both here and in the US.

Turning to the Australian economy: accommodative credit conditions, strong profit growth and record unemployment have contributed to ongoing strength in domestic demand in 2004.

As we enter the new year, a softer housing market and a modest tightening in credit conditions maybe having some impact on spending patterns. Softer retail sales in Q4 of 2004, fewer equity draw downs and a slowing in dwelling approvals point to a curtailment of the excessive spending we have seen in recent years.

While consumer demand and construction activity are slowing modestly we expect reasonable growth in the economy supported by an improving export sector and ongoing strength in business investment. The sharp improvement in the terms of trade and the structural shift in global demand for raw materials should provide a significant impetus to the Australian economy for some time.

MARKET OUTLOOK

Given our optimistic view on the economy we would expect companies to continue to deliver solid profit growth in 2005. However, we are moving into a more mature phase of the cycle with margins and returns in some industries now at record levels. It will become increasingly challenging for companies to grow profits off such a strong base. With the economy performing so well, the risk will shift to cost pressures and inflation. Looking forward, companies are more likely to meet rather than beat profit expectations as was the case last year.

We are already seeing early signs of these pressures emerging in those industries operating above trend, with disappointing results recently from insurance and construction companies.

With earnings momentum slowing we are actively shifting away from those companies leveraged to the economy in favour of quality businesses with valuation support. We continue to invest in emerging growth companies that are not beholden to the economic cycle.

Furthermore, there are some warning signals emerging that suggest pricing in a number of asset classes may have moved beyond fair value. Volatility and risk spreads are at record lows, cash boxes have re-emerged with no obvious investment mandate, and excess liquidity continues to push prices higher.

While we are mindful of these risks, particularly in pockets of the market that look fully valued, we believe the companies in which the fund has invested in should continue to deliver positive returns.

The investment appeal of an absolute return fund like WLS becomes increasingly relevant at this stage of the investment cycle as opportunities become harder to find. The ability to shift a significant portion of the fund into cash and to profit from over valued securities by short selling should provide a degree of capital protection if the market declines.

PORTFOLIO CONSTRUCTION

In constructing the WLS portfolio we are wary of those sectors that are performing well above trend, most notably in banking, insurance, and the building/construction sectors of the economy. While we have a low weighting to banking and insurance we believe Westpac and Promina are executing particularly well. Both companies will continue to be significant positions in the fund.

We are optimistic on the outlook for resources generally. We have significant holdings in most of the major miners. Our focus is on those companies with low cost, long life ore bodies with an ability to expand production. BHP Billiton, Woodside and Newcrest have all performed particularly well and continue to be core positions.

We continue to focus on well managed growth franchises with significant management ownership. Harvey Norman, Primary Healthcare, Nufarm, Arrow Pharmaceuticals, Babcock and Brown, Credit Corp and Baxter all fit into this category and contributed to performance in 2004.

Having grown the asset base in 2004 and with the markets generally looking more fully valued, we have significantly increased the cash weighting in the fund and started selectively short selling companies we believe are materially overvalued. We will profit if the value of these securities falls.

While we are more cautious on equities generally, we expect the fund to deliver positive returns again in 2005.

DIVIDEND POLICY

The Board's policy is to pay a growing stream of fully franked dividends to shareholders on a six-monthly basis.

The Board has declared an interim dividend of 2.0 cents a share fully franked and a special dividend of 3.0 cents a share fully franked to be paid on 8 April 2005.

The dividend re-investment plan will be operating at no discount. To participate in the dividend re-investment plan, the share registry must receive elections to do so by no later than 5pm 24 March 2005.

To be entitled to the dividend, option holders need to exercise their options by 5pm 24 March 2005.

SHARE BUY BACK

On the 13 May 2004 the board of Wilson Leaders Limited announced an on market share buyback, equivalent to 4,420,900 shares or approximately 10% of issued capital. The buyback will be in place for a 12-month period, beginning from 27 May 2004. The buyback was initiated at 90 cents per share, approximately a 10.8% discount to the current pre-tax NTA.

The board is focussed on maximising returns to shareholders and this will from time to time involve active capital management. The board views the introduction of an on market share buy back as being in line with this aim as it will add value to the remaining shares on issue and increase NTA per share.

As at close of the market on 31 December 2004, 3,917,262 shares had been bought back.

As at 31 December 2004 the equity portfolio gave exposure to:

	Market Value \$	% of Portfolio		Market Value \$	% of Portfolio
Energy			Health Care Equipment & Services		
Hardman Resources Ltd (HDR)	1,091,150	2.39%	Primary Health Care Ltd (PRY)	750,305	1.64%
Origin Energy Ltd (ORG)	861,250	1.88%	Primary Health Care Ltd (PRYN)	682,500	1.49%
Woodside Petroleum Ltd (WPL)	1,809,000	3.95%	Resmed Inc (RMD)	841,100	1.84%
	3,761,400	8.22%		2,273,905	4.97%
Materials			Pharmaceuticals & Biotechnology		
Alumina Ltd (AWC)	594,000	1.30%	Advanced Nano Tech Ltd (ADVNAV)	250,006	0.55%
BHP Billiton Ltd (BHP)	2,228,442	4.87%	Arrow Pharmaceuticals Ltd (AWP)	976,000	2.13%
James Hardie Industries (JHX)	1,621,400	3.55%	Medical Dev.Internat. Ltd (MVP)	553,500	1.21%
Newcrest Mining Ltd (NCM)	1,518,150	3.32%	Pharmaxis Ltd (PXS)	76,000	0.17%
Nufarm Ltd (NUF)	1,404,000	3.07%		1,855,506	4.06%
Onesteel Ltd (OST)	1,028,000	2.25%	Banks		
Rio Tinto Ltd (RIO)	1,159,908	2.54%	St George Bank Ltd (SGB)	1,502,375	3.29%
WMC Resources Ltd (WMR)	144,400	0.32%		4,815,675	10.53%
	9,698,300	21.22%	Automobiles & Components		
Capital Goods			Fleetwood Corporation Ltd (FWD)	1,084,026	2.37%
Austin Engineering Ltd (ANG)	606,515	1.33%		1,084,026	2.37%
	606,515	1.33%	Diversified Financials		
Transportation			Aberdeen Leaders Ltd (ALR)	7,354,965	16.08%
Patrick Corporation Ltd (PRK)	1,200,850	2.63%	Babcock & Brown Ltd (BNB)	1,077,120	2.36%
	1,200,850	2.63%		8,432,085	18.44%
Commercial Services & Supplies			Insurance		
Credit Corp Group Ltd (CCP)	1,252,251	2.74%	Promina Group (PMN)	631,800	1.38%
McMillan Shakespeare Ltd (MMS)	541,998	1.18%	Reinsurance Australia Corp. Ltd (RAC)	1,402,324	3.06%
	1,794,249	3.92%		2,034,124	4.44%
Hotels, Restaurants & Leisure			Retail		
eBet Ltd (EBT)	759,473	1.66%	Harvey Norman Holdings Ltd (HVN)	1,716,750	3.75%
	759,473	1.66%		1,716,750	3.75%
Media			Software & Services		
Infochoice Ltd (ICH)	210,680	0.46%	Reckon Ltd (RKN)	859,770	1.88%
News Corp Class A (NWSLV)	916,300	2.00%		859,770	1.88%
News Corp Class B (NWS)	1,081,798	2.37%	Technology Hardware & Equipment		
Photon Group Ltd (PGA)	1,160,000	2.54%	Redflex Holdings Ltd (RDF)	989,928	2.16%
	3,368,778	7.37%		989,928	2.16%
Food Beverage & Tobacco			Corporate Debt		
FGL 270105 Call 500 (FGLZL)	113,400	0.25%	Primelife Corp C/Notes (PLFGB)	369,240	0.81%
	113,400	0.25%		369,240	0.81%
			TOTAL PORTFOLIO VALUE	42,420,673	100.00%
			LESS: ESTIMATED SELLING COSTS	-169,683	
			CARRYING VALUE	42,250,990	
			ADD: LENT STOCK	3,313,300	
			TOTAL VALUE	45,564,290	

As at 31 December 2004 the following short position was held:

	<u>Market Value \$</u>	<u>% of gross assets</u>
Australian Stock Exchange Ltd (ASX)	617,085	1.20%
TOTAL	617,085	1.20%

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WILSON LEADERS LIMITED
APPENDIX 4D
HALF YEAR REPORT
for the half year ended 31 December 2004

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Operations commenced 10 February 2004, and as such comparisons to the half year ended 31 December 2003 are meaningless and have not been included

\$			
Revenue from ordinary activities		7,494,020	
Profit from ordinary activities before tax attributable to members		7,102,974	
Profit from ordinary activities after tax attributable to members		5,023,739	
Net profit for the period attributable to members		5,023,739	
		Franked amount per share	Tax rate for franking
Dividend Information	Amt per share		
Interim dividend per share	2.0c	2.0c	30%
Special dividend per share	3.0c	3.0c	30%
Total dividends per share for the half year	5.0c	5.0c	30%
Final dividend dates			
Ex dividend date			24 Mar 2005
Record date			1 Apr 2005
Payment date			8 Apr 2005
31 Dec 2004			
Net tangible asset backing after tax		\$1.13	
<p><i>This report is based on the Half Year Financial Report which has been subject to review by the Auditors. All the documents comprise the information required by Listing Rule 4.2A. This information should be read in conjunction with the 30 June 2004 Annual Financial Report.</i></p>			