

WILSON LEADERS LIMITED

A.B.N. 64 106 845 970

**FINANCIAL REPORT
FOR THE HALF YEAR ENDED
31 DECEMBER 2004**

COMPANY PARTICULARS

WILSON LEADERS LIMITED

A.B.N. 64 106 845 970

Wilson Leaders Limited is a Listed Investment Company. It is an investor in equities and similar securities on the stock market primarily in Australia.

DIRECTORS:

G. Wilson (Chairman)
J. Braitling
M. Kidman
J. Abernethy
J. Gosse

SECRETARY:

J. Gosse

AUDITORS:

Moore Stephens WI

COUNTRY OF INCORPORATION:

Australia

REGISTERED OFFICE:

Level 11, 131 Macquarie Street
Sydney NSW 2000

CONTACT DETAILS:

Mail Address: Lv 11, 131 Macquarie St Sydney NSW 2000
Telephone: (02) 9247 6755
Fax: (02) 9247 6855
Email: info@wami.com.au

For enquiries regarding net asset backing (as advised each month to the Australian Stock Exchange) refer to www.asx.com.au or call (02) 9247 6755

SHARE REGISTRAR:

Registries Limited
Mail Address: PO Box R67 Royal Exchange
Sydney NSW 1223
Telephone: (02) 9290 9600
Fax: (02) 9279 0664

For all enquiries relating to shareholdings, dividends (including participation in the Dividend Reinvestment Plan) and related matters, please contact the share registrar.

STOCK EXCHANGE:

Australian Stock Exchange (ASX)
The home exchange is Sydney.
ASX code: WLS Ordinary shares
WLSO Options Expiring 17 Jun 2005

WILSON LEADERS LIMITED

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DIRECTORS' REPORT TO SHAREHOLDERS FOR THE HALF YEAR ENDED 31 DECEMBER 2004

The Directors present their report together with the financial report of Wilson Leaders Limited ("the Company") for the half year ended 31 December 2004.

PRINCIPAL ACTIVITY

The principal activity of the Company is making investments in listed and unlisted companies. No change in this activity took place during the half year or is likely in the future.

REVIEW OF OPERATIONS AND OPERATING RESULTS

Investment operations over the half year resulted in an operating profit before tax of \$7,102,974 (2003: nil) and an operating profit after tax of \$5,023,739 (2003: nil)

Investments are revalued monthly to market value. For the half year ended 31 December 2004, investments were revalued by \$4,044,209 (2003: nil), after an adjustment for deferred tax on unrealised gains, a net increment of \$2,609,535 (2003: nil) was transferred to an Unrealised Capital Profits Reserve.

Asset backing for each ordinary share at 31 December 2004 (calculated on market value less realisation costs and all applicable taxes and before provision for dividend) amounted to \$1.129 per share (2003: \$1.00). Asset backing after tax on realised gains but before tax on unrealised gains was \$1.164 per share. The equivalent asset backing before tax was \$1.183 per share (2003: \$1.00).

DIRECTORS

The names of the Directors in office at any time during or since the end of the half year are as follows:-

Geoffrey J. Wilson – Chairman

Justin B. Braitling – Non-Executive Director

Matthew J. Kidman – Non-Executive Director

Julian J. Gosse – Non Executive Director and Secretary

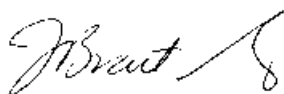
John B. Abernethy – Non-executive Director

The Directors have been in office since the start of the half year to the date of this report unless otherwise stated.

AUDITORS' INDEPENDENCE DECLARATION

A copy of the Auditors' Independence Declaration as required under Section 307C of the Corporations Act 2001 is set out on page 9.

Signed in accordance with a resolution of the Board of Directors.



J.B. BRAITLING, Director
Dated at Sydney this 28 February 2005

WILSON LEADERS LIMITED

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STATEMENT OF FINANCIAL PERFORMANCE FOR THE HALF YEAR ENDED 31 DECEMBER 2004

	Notes	December 2004 \$	December 2003 \$
Sale of investments		90,950,647	-
Cost of investments sold		(88,108,114)	-
Gross profit		<u>2,842,533</u>	-
Unrealised gain on investments		4,044,209	-
Other revenue from ordinary activities	2	607,277	-
Management fee		(236,978)	-
Other expenses from ordinary activities		(154,067)	-
		<u>-</u>	-
Profit from ordinary activities before related income tax expense		7,102,974	-
		<u>-</u>	-
Income tax expense relating to ordinary activities		(2,079,235)	-
		<u>-</u>	-
Net profit from ordinary activities after related income tax expense		5,023,739	-
Changes in equity other than those resulting from transactions with owners as owners			
Amount transferred to unrealised capital profits reserve		(2,609,535)	-
		<u>-</u>	-
Total changes in equity other than those resulting from transactions with owners as owners		2,414,204	-
		<u>-</u>	-
Basic earnings per share		11.7 cents	n/a
Diluted earnings per share		11.7 cents	n/a

The accompanying notes form part of these financial statements.

WILSON LEADERS LIMITED

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STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2004

	Notes	December 2004 \$	June 2004 \$
ASSETS			
Cash assets		5,814,775	9,325,889
Receivables		135,016	700,972
Prepayments		10,231	20,462
Investments		45,564,290	36,930,152
Tax assets		37,911	160,933
TOTAL ASSETS		51,562,223	47,138,408
LIABILITIES			
Payables		3,716,446	2,565,491
Current tax liabilities		770,133	-
Deferred tax liabilities		1,431,724	175,349
TOTAL LIABILITIES		5,918,303	2,740,840
NET ASSETS		45,643,920	44,397,568
EQUITY			
Contributed equity	4	39,679,198	42,817,313
Reserves		3,213,787	604,252
Retained profits		2,750,935	976,003
TOTAL EQUITY		45,643,920	44,397,568

The accompanying notes form part of these financial statements.

WILSON LEADERS LIMITED

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STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2004

	December 2004 \$	December 2003 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Dividends received	615,079	-
Interest received	19,557	-
Other investment income received	66,234	-
Payments to suppliers	(316,498)	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	384,372	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	91,423,069	-
Payments for purchase of investments	(91,497,949)	-
NET CASH USED IN INVESTING ACTIVITIES	(74,880)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	1
Dividends paid	(515,019)	-
Payments for shares bought back	(3,323,687)	-
Options exercised	18,100	-
NET CASH USED IN FINANCING ACTIVITIES	(3,820,606)	1
NET (DECREASE)/ INCREASE IN CASH HELD	(3,511,114)	1
Cash at beginning of the half year	9,325,889	-
CASH AT END OF HALF YEAR	5,814,775	1

The accompanying notes form part of these financial statements.

WILSON LEADERS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2004

1. BASIS OF PREPARATION

The half year financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB 1029: Interim Financial Reporting, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that the half year financial report be read in conjunction with the Annual Financial Report for the period ended 30 June 2004 and any public announcements made by Wilson Leaders Limited during the half year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the Company and are consistent with those applied in the 30 June 2004 Annual Financial Report.

The half year report does not include full disclosures of the type normally included in an annual financial report.

	December 2004	December 2003
	\$	\$
2. OTHER REVENUE FROM ORDINARY ACTIVITIES		
Dividends received	521,944	-
Interest received	16,127	-
Underwriting fees received	35,007	-
Foreign sourced income received	20,546	-
Stock lending rebate received	13,653	-
	<u>607,277</u>	<u>-</u>

3. DIVIDENDS

Dividends paid fully franked:

Final dividend at 1.5 cents per ordinary share paid on 29
October 2004 (Nov 2003: nil)

Total dividends paid by the Company

639,272	-
<u>639,272</u>	<u>-</u>

Subsequent Event

Since the end of the half year, the Directors have declared an interim dividend of 2 cents per share fully franked and a special dividend of 3 cents per share fully franked both payable on 8 April 2005.

The interim and special dividends have not been brought to account in the financial statements for the half year ended 31 December 2004 but will be recognised in subsequent financial reports.

WILSON LEADERS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2004

	December 2004 \$	June 2004 \$
4. CONTRIBUTED EQUITY		
(a) Issued and Paid-up Capital		
40,439,203 ordinary shares fully paid (30 June 2004: 43,689,000)	<u>39,679,198</u>	<u>42,817,313</u>
(b) Movement in Ordinary Share Capital		
At the beginning of the reporting period	42,817,313	-
- 1 ordinary share issued on incorporation 29 October 2003		1
- 44,199,999 ordinary shares issued on 10 February 2004 under a prospectus	-	44,199,999
- 9,000 ordinary shares issued from the exercise of options with an exercise price of \$1.00 per share	-	9,000
- 520,000 ordinary shares bought back under an on-market buy back commencing 27 May 2004	-	(468,515)
- Transaction costs arising from the Initial Public Offering	(17,146)	(923,172)
- 18,100 ordinary shares issued from the exercise of options with an exercise price of \$1.00 per share	18,100	-
- 3,397,262 ordinary shares bought back at \$0.96 under an on-market buy back commencing 27 May 2004	(3,263,322)	-
- 129,365 ordinary shares issued on 29 October 2004 under a dividend reinvestment plan	124,253	-
At reporting date	<u>39,679,198</u>	<u>42,817,313</u>

5. EVENTS SUBSEQUENT TO REPORTING DATE

No matters have arisen since the end of the period which significantly affected or may significantly affect the operations of the Company, the results of the operations, or the state of affairs of the Company in future financial years.

WILSON LEADERS LIMITED

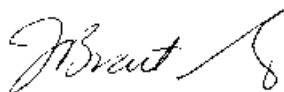
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DIRECTORS' DECLARATION

The Directors of Wilson Leaders Limited declare that:

1. The financial statements and notes, as set out on pages 3 to 7, are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standard AASB 1029: Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the financial position of the Company as at 31 December 2004 and of its performance for the half year ended on that date; and
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors.



J.B. BRAITLING, Director

Dated at Sydney this 28 February 2005

Auditors' Independence Declaration

As lead auditor for the review of Wilson Leaders Limited for the half year ended 31 December 2004, I declare that to the best of my knowledge and belief, there have been:

- a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b. no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Wilson Leaders Limited.



S.M. WHIDDETT
Partner

Dated in Sydney this day 28 February 2005

**INDEPENDENT REVIEW REPORT
TO THE MEMBERS OF
WILSON LEADERS LIMITED**

Scope

The financial report and directors' responsibility

The financial report comprises the statements of financial position, statements of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Wilson Leaders Limited for the half year ended 31 December 2004.

The Directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting", and the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted an independent review of the financial report in order to make a statement about it to the members of the Company, and in order for the Company to lodge the financial report with the Australian Stock Exchange and the Australian Securities and Investments Commission.

Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements, in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with the Corporations Act 2001, Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory professional reporting requirements in Australia, so as to present a view which is consistent with our understanding of the Company's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our statement on the basis of the review procedures performed, which included:

- inquiries of Company personnel, and
- analytical procedures applied to financial data.

When this review report is included in a document containing information in addition to the financial report, our procedures include reading the other information to determine whether it contains any material inconsistencies with the financial report.

A review is limited primarily to inquiries of Company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

We are independent of the Company, and have met the independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of Wilson Leaders Limited is not in accordance with:

- a. the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the financial position of the Company at 31 December 2004 and of its performance for the period ended on that date; and
 - ii. complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the *Corporations Regulations 2001*; and
- b. other mandatory financial reporting requirements in Australia.



S. M. WHIDDETT
Partner



MOORE STEPHENS WI
Sydney

Dated 28 February 2005