WILSON LEADERS LIMITED

(ACN 106 845 970)

10 February 2006

Solid Result

RESULTS FOR HALF YEAR ENDED 31 DECEMBER 2005

SUMMARY

- **Gross portfolio increased by 14.8% for the 6 months to 31 December 2005**
- **Profit before tax increased by 11.6% to $7.94m.**
- **Profit after tax increased by 15.9% to $5.79 m.**
- **The Directors have declared a 3.0 cent interim dividend fully franked.**
- **Pre tax net tangible assets increased from 103.3c* a share to 117.8c a share for the 6 months.**
- **After tax net tangible assets increased from 100.5c* a share to 113.0c a share for the 6 months.**

*adjusted for dividends paid

WILSON LEADERS LIMITED – SOLID RESULT

Wilson Leaders Limited (WLS) today announced a profit before tax for the six months to 31 December 2005 of $7.9 million, and an after tax profit of $5.8 million. As at 31 December 2005, the pre-tax net tangible asset backing (NTA) of WLS was $62.4 million or $1.178 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, with the gross value of the fund outperforming the broader market, we are confident the portfolio is well positioned for the remainder of the year," said Geoff Wilson, Chairman of Wilson Leaders Limited.

The gross value of the portfolio increased by 14.8% over the reporting period while the All Ordinaries Accumulation index increased by 13.8%. Since listing on 10 February 2004, the gross value of the fund has increased in value by 39.53%.

ECONOMIC OUTLOOK

The international economy is expected to show reasonable growth in 2006 with leading indicators starting to move ahead again following a modest inventory lead slowdown in late 2005. Interest rates in the United States have moved back to neutral levels following successive rate increases over the last 18 months. In spite of tighter monetary conditions, spending in the US has continued to expand at unsustainable rates fuelled partly by ongoing strength in property values. We would expect to see a modest slowdown in the US moving into 2007 as consumers respond to tighter monetary conditions and a long awaited softening in property values.

Elsewhere, the European economy, which many have all but written off, continues its slow recovery, while growth in China continues to surprise. The recovery in Japan looks to be gaining momentum; the deflation cycle seems to be abating, corporate profits are recovering on the back of export growth, the banking system is looking healthy again and property values are appreciating for the first time in a decade.

Turning to the Australian economy. We have seen a modest slow down in activity from the unsustainable levels achieved in 2004 driven by excessive household spending. The contribution to growth in the economy has shifted more recently, with household spending slowing sharply in the second half of 2005 and business investment and the value of exports accelerating. This is a healthy development with growth shifting back to more sustainable levels.

Growth in the medium term should continue above trend on the back of robust growth in the economies of Australia's key trading partners China, Japan and South Korea, as well as ongoing investment in the mining and infrastructure sectors. Australia as a key supplier of energy and commodities is highly leveraged to the industrialisation of China in particular.

MARKET OUTLOOK

Given our optimistic view of the economy, we would expect companies to deliver solid profit growth again in 2006. This follows two years of strong earnings growth with corporate profits now 50% above where they were just a few years ago. With profits now at such inflated levels, companies may find it increasingly challenging to grow profits further off such a strong base.

Furthermore, with the economy having grown ahead of productive capacity in many sectors, there is an emerging risk that cost pressures and inflation will put pressure on margins. Equity markets are again factoring in above trend profit growth in 2006. T his may prove challenging and is the key risk to further share price appreciation.

While strong profit growth has pushed the market higher in recent years, the market has re-rated upwards with valuations now at more demanding levels. This is also true when comparing Australian equities with international markets which have not performed as well in recent years. Australian companies are now more expensive relative to their international peers.

With international markets having lagged in spite of robust profit growth, they are now considered to be attractively priced. Given our view of modest growth in the international economy, we would expect international markets to perform well in 2006. While local equities are less attractively priced, they will more than likely trade higher along with international shares.

PORTFOLIO CONSTRUCTION

As the growth cycle matures we have adopted a more balanced portfolio structure reducing our exposure to domestic cyclicals and taking profits in resource companies. While we believe the resource companies will continue to prosper in the medium term, with share prices having moved ahead of fundamentals in the short term, we have taken profits in the mining companies.

The fund has reduced its exposure to small companies. These businesses tend to be more susceptible to an economic slow down and less adept at managing rising costs which are putting margins under pressure.

Typically we would look for opportunities in the defensive sectors of the market at this stage of the cycle, however we are struggling to find value here with low interest rates having left these companies fully valued as investors have pursued yield.

We have added a number of growth companies to the portfolio with the addition of Aristocrat Leisure, Computershare and Sigma.

Volatility has also picked up with the risk of disappointment higher given the “good news” factored into share prices. Coupled with onerous valuations this provides shorting opportunities which we are exploring.

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.

DIVIDEND POLICY

The Boards 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 3.0 cents a share fully franked to be paid on 28 April 2006.

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 13th April 2006.

SHARE BUY BACK

On the 15 June 2005 the board of Wilson Leaders Limited announced an on market share buyback, equivalent to 5,698,641 shares or approximately 10% of issued capital. The buyback will be in place for a 12-month period, beginning from 29 June 2005. The buyback was initiated at 88.5 cents per share, approximately a 13% 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 2005, 4,297,574 shares had been bought back.

As at 31 December 2005 the equity portfolio gave exposure to:

	Market Value $	% of Portfolio		Market Value $	% of Portfolio
Commercial Services & Supplies			**Healthcare Equipment & Services**		
Baxter Group (BAX)	1,223,889	1.96%	AtCor Medical Ltd (ACG)	294,000	0.47%
Brambles Industries Ltd (BIL)	1,619,200	2.59%		**294,000**	**0.47%**
Credit Corp Group Ltd (CCP)	1,658,899	2.66%	**Banks**		
	4,501,988	**7.21%**	ANZ Ltd (ANZ)	4,667,855	7.47%
Consumer Durables & Apparel			NAB Ltd (NAB)	1,555,200	2.49%
Billabong Internat. Ltd (BBG)	726,000	1.16%	Westpac Bank Ltd (WBC)	3,322,387	5.32%
	726,000	**1.16%**		**9,545,442**	**15.28%**
Consumer Services			**Diversified Financials**		
ABC Learning Centres Ltd (ABS)	2,390,796	3.83%	Henderson Group (HGI)	1,482,600	2.37%
Aristocrat Ltd (ALL)	246,400	0.39%		**1,482,600**	**2.37%**
Tabcorp Holdings Ltd (TAH)	934,200	1.50%	**Insurance**		
	3,571,396	**5.72%**	AMP Ltd (AMP)	999,700	1.60%
Retail			Oamps Ltd (OMP)	511,680	0.82%
Harvey Norman Holdings Ltd (HVN)	1,153,400	1.85%	Promina Group (PMN)	629,200	1.01%
	1,153,400	**1.85%**	QBE Insurance Group Ltd (QBE)	1,568,000	2.51%
Transportation			Tower Ltd (TWR)	1,277,100	2.05%
Patrick Corporation Ltd (PRK)	1,258,000	2.01%		**4,985,680**	**7.99%**
	1,258,000	**2.01%**	**Software & Services**		
Media			Jumbuck Entertainment Ltd (JMB)	455,000	0.73%
Austar United Comm Ltd (AUN)	1,202,775	1.93%	Reckon Ltd (RKN)	1,200,368	1.92%
News Corp Class B CDI (NWS)	3,921,600	6.28%	Webcentral Ltd (WCG)	493,500	0.79%
Publishing & Broadcasting Ltd (PBL)	2,389,600	3.83%		**2,148,868**	**3.44%**
Seven Network Ltd (SEV)	1,456,000	2.33%	**Real Estate**		
	8,969,975	**14.37%**	Lend Lease Corp Ltd (LLC)	1,448,000	2.32%
Energy				**1,448,000**	**2.32%**
Centennial Coal ltd (CEY)	1,146,000	1.84%	**Technology Hardware & Equipment**		
Origin Energy Ltd (ORG)	644,613	1.03%	Redflex Holdings Ltd (RDF)	1,328,480	2.13%
Woodside Petroleum Ltd (WPL)	1,747,874	2.80%		**1,328,480**	**2.13%**
	3,538,487	**5.67%**	**Food & Staples Retailing**		
Materials			ABB Grain Ltd (ABB)	420,014	0.67%
BHP Billiton Ltd (BHP)	2,702,018	4.33%	Metcash Ltd (MTS)	877,500	1.41%
James Hardie Industries (JHX)	2,070,000	3.31%	Woolworths Ltd (WOW)	1,069,975	1.71%
Newcrest Mining Ltd (NCM)	1,215,000	1.95%		**2,367,489**	**3.79%**
Orica Ltd (ORI)	918,000	1.47%	**Food Beverage & Tobacco**		
Rio Tinto Ltd (RIO)	4,012,350	6.43%	Coca Cola Amatil Ltd (CCA)	1,773,300	2.84%
	10,917,368	**17.49%**	Select Harvests Ltd (SHV)	753,651	1.21%
Pharmaceuticals & Biotechnology				**2,526,951**	**4.05%**
Mayne Pharma Ltd (MYP)	381,000	0.61%	**Listed Domestic Property**		
Pharmaxis Ltd (PXS)	30,923	0.05%	Westfield Group Ltd (WDC)	1,271,200	2.04%
	411,923	**0.66%**		**1,271,200**	**2.04%**
			TOTAL PORTFOLIO VALUE	**62,447,247**	**100.00%**

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WILSON LEADERS LIMITED
APPENDIX 4D
HALF YEAR REPORT
for the half year ended 31 December 2005

RESULTS FOR ANNOUNCEMENT TO THE MARKET
All comparisons to the half year ended 31 December 2004

	$	up/down	% mvmt
Revenue from ordinary activities	8,764,392	up	17.0%
Profit from ordinary activities before tax attributable to members	7,943,051	up	11.8%
Profit from ordinary activities after tax attributable to members	5,792,791	up	15.9%
Net profit for the period attributable to members	5,792,791	up	15.9%

Dividend Information	**Amt per share**	**Franked amount per share**	**Tax rate for franking**
2005 Final dividend per share	2.0c	2.0c	30%
2006 Interim dividend per share	3.0c	3.0c	30%

Final dividend dates	
Ex dividend date	13 April 2006
Record date	21 April 2006
Payment date	28 April 2006

	31 Dec 2005	**31 Dec 2004**
Net tangible asset backing after tax	$1.13	$1.13

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 2005 Annual Financial Report.