

WILSON LEADERS LIMITED

A.B.N. 64 106 845 970



WILSON LEADERS LIMITED (WLS) – SEPTEMBER 2006 **INVESTMENT UPDATE & NTA**

Wilson Leaders Limited (WLS) listed on the Australian Stock Exchange on the 10th February 2004 after raising \$44.2 million. Wilson Leaders is a Listed Investment Company that invests in a portfolio of Australia's leading public companies.

As at 30 September 2006:

NTA before tax	129.58c
NTA after tax and before tax on unrealised gains	127.56c
NTA after tax	123.03c

The above figures are before the payment of a final dividend of 3.0 cents a share fully franked and a 2.0 cent special dividend fully franked, payable on 27 October 2006.

MARKET OUTLOOK

Equities delivered modest gains in September as investors began to factor in a soft landing in the North American economy. Coupled with softer bond yields, weaker oil prices and indications that inflation is well contained, confidence returned to equity markets globally. Equity markets locally were buoyed by private equity interest in a number of listed companies most notably Coles Myer. The private equity interest in Australian companies has seen share price appreciation in a number of our short positions on speculation they will be potential targets detracting from performance. The fund performed well in September as three of our key holders were bid for: B Digital Ltd (BBB), Mayne Pharma Ltd (MYP) and DCA Group Ltd (DVC). The government also announced the terms for the sell down of its holding in Telstra in September with the Prospectus released in early October. We continue to run a significant short position in Telstra and will more than likely bid for installment receipts to cover our position but at the same time providing free funding as the installment receipts are only partly paid.

Looking forward, we are optimistic on the outlook for equities generally and expect modest returns through the balance of the year

DIVIDEND

The final dividend of 3.0 cents a share fully franked and a special 2.0 cents a share fully franked, will bring the full year dividend to 8.0 cents a share. The shares will trade ex dividend on 16 October 2006 with payment on 27 October 2006.

OPTIONS ISSUE

On 11th August 2006, the Directors of Wilson Leaders Limited announced a 1 for 2 bonus issue of options to its shareholders. The options were allotted to shareholders on 8th September 2006 and have been issued at no cost to shareholders. As at the 11th October 2006 3,178,781 ordinary shares have been allotted for a total consideration of \$3,433,083.

The Board is focused on creating shareholder value. The Board believes that this bonus option issue will promote this endeavour and will reward shareholders for their loyalty and support for the Company.

The options have an exercise price of \$1.08 per option and they will expire 31 October 2007.

PORTFOLIO PERFORMANCE

Gross Performance	1 month	3 month	6 month	Financial YTD
Wilson Leaders Ltd	1.96%	3.65%	6.85%	3.65%
All Ords Accum	1.25%	2.89%	2.66%	2.89%
Relative Performance	0.71%	0.76%	4.19%	0.76%

PORTFOLIO STRUCTURE

Investment Type	As at 31 August 2006		As at 30 September 2006	
	\$m	% of net assets	\$m	% of net assets
Listed Securities	102.83	153.5%	104.05	151.3%
Fixed Interest and Cash	(6.08)	-9.1%	0.02	0.0%
Gross Assets	96.76	144.5%	104.07	151.3%
Short positions	(29.78)	-44.5%	(35.30)	-51.3%
Net Assets	66.98	100.0%	68.77	100.0%

The listed securities portfolio is detailed on the following page.

As at 30 September the equity portfolio gave exposure to:

	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			SHORT POSITIONS	(35,304,694)	
AtCor Medical Ltd (ACG)	117,000	0.11%			
	117,000	0.11%			