

WILSON LEADERS LIMITED

A.B.N. 64 106 845 970



WILSON LEADERS LIMITED (WLS) – JANUARY 2007 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 31 January 2007:

NTA before tax	142.80c*
NTA after tax and before tax on unrealised gains	139.25c*
NTA after tax	131.86c*

* Undiluted for options and before the payment of an interim dividend of 4.0 cents a share fully franked, payable on the 27 April 2007.

MARKET OUTLOOK

Recent US data has been strong and the equity market has moved higher in response to this with a "soft landing" scenario now looking more likely. In Australia, softer economic data and easing inflation would suggest interest rates are on hold for the time being. Renewed corporate activity and ongoing liquidity flows continue to push the market higher.

The fund performed well in January as did the broader market with a benign environment of modest growth and accommodative policy continuing. While the market was up strongly, volatility also increased appreciably particularly for resource companies that had been sold off aggressively early in the month as commodity prices fell, only to recover as value emerged in the sector. Corporate activity also stepped up a gear, particularly in the utilities sector with Alinta's announcement of a management buy out and a proposed merger of Origin Energy and AGL.

Most of the funds key positions outperformed in the month with ANZ, BHP, WBC, QBE and TOL amongst the biggest contributors. The funds position in TOL was sold as the share price now fully captures the restructuring proposal. News Corporation also performed well with the film and entertainment division continuing its box office success. The terms of the restructuring of Liberty's stock holding was announced with NWS to buy Liberty's shares in exchange for its stake in Direct TV.

The industrial market is starting to look fully valued, the upcoming reporting season will be instrumental in setting the direction of the market for the next 6 months. With shares now approaching full value any company that releases disappointing results will suffer. Our base case is that companies will deliver profit growth in line with expectations and while valuations are looking a little stretched ongoing liquidity flows into the market will continue to push equities higher.

DIVIDEND

On the 7th February the Directors declared an interim dividend of 4.0 cents a share fully franked payable on the 27 April 2007. The shares will trade ex dividend on 16 April 2007.

Option holders who exercise their options by the 13 April 2007 will receive the interim dividend of 4.0 cents a share.

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 12th February 2007 4,012,562 ordinary shares have been allotted for a total consideration of \$4,334,171.

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 can be exercised any time up to the expiry date being 31 October 2007.

PORTFOLIO PERFORMANCE

Gross Performance	1 month	3 month	6 month	Financial YTD
Wilson Leaders Ltd	3.5%	9.5%	25.8%	22.0%
All Ords Accum	2.0%	8.3%	18.6%	16.8%
Relative Performance	1.5%	1.2%	7.2%	5.2%

PORTFOLIO STRUCTURE

Investment Type	As at 31 December 2006		As at 31 January 2007	
	\$m	% of net assets	\$m	% of net assets
Listed Securities	121.39	151.7%	128.31	155.1%
Fixed Interest and Cash	2.48	3.1%	(2.41)	(2.9)%
Gross Assets	123.87	154.8%	125.90	152.2%
Short positions	(43.85)	(54.8)%	(43.16)	(52.2)%
Net Assets	80.02	100.0%	82.74	100.0%

The listed securities portfolio is detailed on the following page.

LEVEL ELEVEN
139 MACQUARIE ST
SYDNEY NSW 2000
TEL (02) 9247 6755
FAX (02) 9247 6855

As at 31 January the equity portfolio gave exposure to:

	Market Value \$	% of Portfolio		Market Value \$	% of Portfolio
Energy			Consumer Discretionary		
Oil Search Ltd (OSH)	3,977,600	3.10%	ABC Learning (ABS)	3,202,576	2.50%
Woodside Petrol (WPL)	2,300,760	1.79%	Amalgamated Holdings Ltd (AHD)	1,337,089	1.04%
	6,278,360	4.89%	APN News & Media Ltd (APN)	1,818,000	1.42%
Materials			Harvey Norman Holdings Ltd (HVN)	2,448,000	1.91%
BHP Billiton (BHP)	12,336,971	9.62%	News Corp Class B (NWS)	2,327,300	1.81%
Consolidated Minerals Ltd (CSM)	2,541,000	1.98%	Publishing & Broadcasting Ltd (PBL)	1,373,400	1.07%
Incitec Pivot Ltd (IPL)	1,642,548	1.28%	RR Australia Ltd (RRA)	1,177,231	0.92%
James Hardie Industries (JHX)	2,992,500	2.33%	Village Roadshow Ltd (VRL)	160,000	0.12%
Onesteel Ltd (OST)	946,000	0.74%	Village Roadshow Ltd Prefs (VRLPA)	1,524,574	1.19%
Rinker Group Ltd (RIN)	2,046,000	1.59%		15,368,170	11.98%
Rio Tinto Ltd (RIO)	4,530,890	3.53%	Health Care		
Timbercorp Ltd (TIM)	2,520,000	1.96%	Australian Pharmaceutical Industries Ltd (API)	775,337	0.60%
	29,555,908	23.03%	Sonic Healthcare Ltd (SHL)	1,305,000	1.02%
Industrials			Sigma Pharmaceuticals Ltd (SIP)	3,710,795	2.89%
Brambles Ltd (BXB)	2,220,800	1.73%		5,791,132	4.51%
McMillan Shakespeare Ltd (MMS)	4,202,538	3.28%	Financials		
Service Stream Limited (SSM)	2,277,783	1.78%	ANZ Banking Corp (ANZ)	12,805,489	9.98%
SAI Global Ltd (SAI)	2,979,556	2.32%	AXA Asia Pacific Holdings Ltd (AXA)	2,382,600	1.86%
	11,680,677	9.11%	Cadence Capital Ltd (CDM)	1,051,724	0.82%
Consumer Staples			Credit Corp Ltd (CCP)	4,463,428	3.48%
Graincorp Ltd (GNC)	2,971,101	2.32%	Multiplex Group (MXG)	2,050,587	1.60%
ABB Grain Limited (ABB)	274,147	0.21%	QBE Insurance Group Ltd (QBE)	2,772,000	2.16%
Woolworths Limited (WOW)	2,375,000	1.85%	St George Bank Ltd (SGB)	7,049,000	5.49%
Metcash Limited (MTS)	2,904,300	2.26%	Westpac Banking Corp (WBC)	6,544,248	5.11%
Select Harvests Ltd (SHV)	3,512,756	2.74%		39,119,075	30.50%
	12,037,304	9.38%	Information Technology		
Telecommunication Services			E-Pay Asia Ltd (EPY)	901,425	0.70%
Reverse Corp Ltd (REF)	1,082,500	0.84%	Melbourne IT Ltd (MLB)	1,452,120	1.13%
Singapore Telecomm Ltd (SGT)	1,389,246	1.08%	Reckon Ltd (RKN)	1,794,290	1.40%
Telecom Corporation of NZ Ltd (TEL)	1,856,400	1.45%		4,147,835	3.23%
	4,328,146	3.37%			
			TOTAL PORTFOLIO VALUE	128,306,608	100.00%
			SHORT POSITIONS	43,163,296	

