

Appendix 4D

1. Half yearly report

Name of entity

Premium Investors Limited

ABN:

47 106 259 885

Report for the period

1 July 2006 to 31 December 2006

Previous corresponding period

1 July 2005 to 31 December 2005

2. Results for announcement to the market

				<u>A\$'000s</u>
Revenues from ordinary activities (<i>item 2.1</i>)	up/ down	103%	to	38,698
Profit (loss) after tax attributable to members (<i>item 2.2</i>)	up/ down	102%	to	25,372
Net profit (loss) for the period attributable to members (<i>item 2.3</i>)	up/ down	102%	to	25,372
Dividends (<i>item 2.4</i>)				
It is proposed to pay interim fully franked dividends of 4.0 cents per share.				
Payment Date: 5 April 2007				
Shareholders wishing to participate in the Dividend Reinvestment Plan ("DRP") will be entitled to purchase shares at a discount of 2.5% to the weighted average market price over the period of 5 Business Days starting on the first day that all shares are quoted ex the Cash Dividend.				
To participate in the DRP, shareholders must return their DRP Application Forms to the share registry office by the 5 March 2007.				
Record date for determining entitlements to the dividend (<i>item 2.5</i>)	5 March 2007			
Brief explanation of any of the figures reported above necessary to enable the figures to be understood (<i>item 2.6</i>):				
For details, please refer to the attached Financial Report for the 6-month period ended 31 December 2006. Also, please see attached Chairman Address for detailed commentary.				

3. Net tangible assets per security (item 3)

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	\$1.21	\$1.13

4. Dividends (item 5)

	Date of payment	Total amount of dividend
Final dividend – year ended 30 June 2006	30 September 2006	\$8,015,181
Interim dividend – year ended 30 June 2007	5 April 2007	\$8,273,130

Amount per security

	Amount per security	Franked amount per security at % tax	Amount per security of foreign sourced dividend
Interim dividend: Current year	4.00¢	100%	-¢
Previous year	4.00¢	100%	-¢

- The financial information provided in the Appendix 4D is based on the half year condensed financial report (attached), which has been prepared in accordance with Australian equivalent to International Financial Reporting Standards (AIFRS).
- The financial report has been independently reviewed. The financial report is not subject to a qualified independent review statement.

Sign here: Date: 19 February 2007
(Company Secretary)

Print name: Leah Watson

Premium

Investors Limited

19 February 2007

Chairman's Address

Highlights:

- Increase in net tangible assets per share after tax for the six months ending December 2006 of 9 cents per share, excluding the 4 cent fully franked dividend paid in September 2006
- Net Profit for the period attributable to members up 102% to \$25,373,000 or 12.47 cents per share
- Retained earnings up 56.7% to 23.2 cents per share
- Interim Dividend of 4 cents per share with record date of 5th March 2007 and payment date of 5th April 2007
- Dividend Reinvestment Plan providing a 2.5% discount to weighted average share price calculated over the 5 trading days to the Record Date
- Share Purchase Plan to allow shareholders to invest up to \$2,500 at a discount of 2.5% to the weighted average share price over the 5 trading days to 28th March 2007.

On behalf of the Board, I am pleased to report our financial results for the six months ended 31st December 2006. Favourable investment markets, both in Australia and internationally, together with our policy of hedging currencies for exposures to developed markets, have all contributed to the strong and consistent returns from the investment portfolio. In August, we increased our exposure to international markets through an allocation to global infrastructure and over 40% of the portfolio is now directed towards global markets.

Your Board is pleased to note that shares in Premium Investors are now trading in line with the net tangible asset backing per share and shareholders have gained the full benefits of the earnings from the investment portfolio.

The continuing strong performance from the investment portfolio has caused your Board to reconsider the reporting of provisions for performance fees. Previously we had disclosed estimates of performance fees in the interim accounts as part of the Notes to the Financial Report. The Accounts for the Half Year ended December 2006 include a provision for performance fees in the Balance Sheet as a liability as it is likely the performance hurdle will be exceeded over the full year.

The Premium Investors Dividend Reinvestment Plan remains in operation for this interim dividend to service the needs of shareholders who prefer to reinvest their dividends in additional shares in Premium Investors. The Board has determined that shares in the Plan will be offered to shareholders at a 2.5% discount to the weighted average share price in the five days leading up to the record date of 5th March 2007. Shareholders who wish to participate in the plan for this dividend will need to have notified our share registry, Computershare of their intention prior to the record date. All shareholders who are not participants in the Plan have recently been invited to join and the necessary documentation is available on our website or from Computershare.

Your Board introduced a Share Purchase Plan to run in conjunction with the payment of the final dividend for the year ending June 2006. Positive feedback from shareholders has encouraged your Board to again offer the Plan to shareholders who are on the registry on 5th March 2007.

The Share Purchase Plan allows shareholders to invest up to \$2,500 in further shares in the Premium Investors at a discount of 2.5% to the weighted average price over the 5 trading days leading up to the closing date for the offer of 28th March 2007. Shareholders who wish to participate in the Plan will need to complete the application form that will be despatched to you on 9th March 2007, and return it to Computershare by the 28th March 2007.

Investment successes over the past six months have further consolidated Premium Investors as a provider of a strong and fully franked dividend yield derived from an investment portfolio which is not totally dependent on the returns from any single market.

Your Board looks forward to the remainder of this financial year.



Don Sharp
Chairman

Head office:
Level 5, 50 Margaret Street
Sydney NSW 2000
Phone: 1800 087 348

Registered office:
Level 9, 470 Collins Street
Melbourne Vic 3000

Premium Investors Limited

ABN 47 106 259 885

**FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2006**

This half-year financial report
is to be read in conjunction with
the financial report for the
year ended 30 June 2006

**PREMIUM INVESTORS LIMITED
INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2006**

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PREMIUM INVESTORS LIMITED
ABN 47 106 259 885

DIRECTORS' REPORT

The directors of Premium Investors Limited submit herewith the financial report for the half-year ended 31 December 2006. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names of the directors of the Company during and since the end of the half-year are as below. Directors were in office for this entire period unless otherwise stated.

Name

John Elfverson (Managing Director)

Don Sharp (Chairman)

Kenneth Stout

Tom Collins

REVIEW OF OPERATIONS

Premium Investors Limited is an investment company that operates on the principle of pooled investment and specialises in the management of predominately Australian marketable securities. There has been no significant change in the nature of the activities during the half-year ended 31 December 2006.

The entity generated an operating profit from ordinary activities after income tax of \$25,372,743 for the six months period ended 31 December 2006. This compares with an operating profit of \$12,553,192 reported for the corresponding period ended 31 December 2005. Basic and diluted earnings per share have also increased from 6.36 cents per share to 12.89 cents per share for the six months period ended 31 December 2006.

AUDITOR'S DECLARATION

A copy of the auditor's declaration in relation to the review for the half-year is provided with this report.

ROUNDING OFF OF AMOUNTS

The Company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in according with a resolution of the directors made pursuant to s.306(3) of the Corporations Act 2001.

A handwritten signature in black ink, appearing to be 'John Elfverson', written over a horizontal line.

John Elfverson

Managing Director

Sydney, 19 February 2007

AUDITOR'S INDEPENDENCE DECLARATION
To the Directors of Premium Investors Limited.

In relation to the half-year independent review for the six months to 31 December 2006, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the Corporations Act 2001.
- (ii) No contraventions of any applicable code of professional conduct.



PITCHER PARTNERS



B J BRITTEN
Partner

Dated at Melbourne on 19 February 2007

PREMIUM INVESTORS LIMITED
ABN 47 106 259 885
CONDENSED INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

	Note	2006 \$'000	2005 \$'000
Revenues	2(a)	4,552	5,968
Unrealised gains on other financial assets at fair value through the profit and loss		20,634	1,826
Realised gains on other financial assets at fair value through the profit and loss		13,512	11,282
Expenses	2(b)	<u>(3,330)</u>	<u>(1,750)</u>
Profit before tax expense		35,368	17,326
Deferred tax expense on unrealised gains		(6,144)	(902)
Income tax expense		<u>(3,851)</u>	<u>(3,871)</u>
Profit after tax expense		<u>25,373</u>	<u>12,553</u>
Basic earnings per share (cents per share)	11	12.47	6.36
Diluted earnings per share (cents per share)	11	12.47	6.36
Interim franked dividends per share (cents per share)	3	4.0	4.0

The accompanying notes form part of these financial statements.

PREMIUM INVESTORS LIMITED
ABN 47 106 259 885
CONDENSED BALANCE SHEET
AS AT 31 DECEMBER 2006

		As at 31 Dec 2006	As at 30 June 2006
	Note	\$'000	\$'000
CURRENT ASSETS			
Cash and cash equivalents		46,155	56,056
Trade and other receivables		3,001	3,554
Other current assets		260	195
TOTAL CURRENT ASSETS		<u>49,416</u>	<u>59,805</u>
NON-CURRENT ASSETS			
Deferred tax asset		369	15
Other financial assets at fair value through profit and loss	4	229,831	183,017
TOTAL NON-CURRENT ASSETS		<u>230,200</u>	<u>183,032</u>
TOTAL ASSETS		<u>279,616</u>	<u>242,837</u>
CURRENT LIABILITIES			
Payables		6,008	4,462
Current tax payable		10,330	6,221
Provisions		1,230	-
TOTAL CURRENT LIABILITIES		<u>17,568</u>	<u>10,683</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities		11,408	5,265
TOTAL NON-CURRENT LIABILITIES		<u>11,408</u>	<u>5,265</u>
TOTAL LIABILITIES		<u>28,976</u>	<u>15,948</u>
NET ASSETS		<u>250,640</u>	<u>226,889</u>
EQUITY			
Contributed equity	5	202,653	196,260
Retained earnings		47,987	30,629
TOTAL EQUITY		<u>250,640</u>	<u>226,889</u>

The accompanying notes form part of these financial statements.

PREMIUM INVESTORS LIMITED
ABN 47 106 259 885
CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

	Note	6 Months ended 31 Dec 2006 \$'000	6 Months ended 31 Dec 2005 \$'000
Total equity at 1 July		<u>226,889</u>	<u>218,342</u>
Profit for the half-year		<u>25,373</u>	<u>12,553</u>
Total recognised income and expense for the half year		<u>25,373</u>	<u>12,553</u>
Transactions with equity holders in their capacity as equity holders:			
Contributions of equity, net of transaction costs		6,393	10
Dividends provided for or paid	3	<u>(8,015)</u>	<u>(7,861)</u>
		<u>(1,622)</u>	<u>(7,851)</u>
Total equity at 31 December		<u>250,640</u>	<u>223,044</u>
Total recognised income and expense for the half-year attributable to members of Premium Investors Limited		<u>25,373</u>	<u>12,553</u>

The accompanying notes form part of these financial statements.

PREMIUM INVESTORS LIMITED
ABN 47 106 259 885
CONDENSED CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

	6 Months ended 31 Dec 2006 \$'000	6 Months ended 31 Dec 2005 \$'000
CASH FLOW FROM OPERATING ACTIVITIES		
Payments to suppliers	(4,198)	(4,496)
Dividends received	3,652	3,959
Interest received	1,372	1,467
Other income received	9	4
Income tax paid	(96)	-
Net cash provided by operating activities	739	934
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of financial assets	111,631	80,707
Purchase of financial assets	(120,641)	(91,250)
Net cash used in investing activities	(9,010)	(10,543)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of ordinary shares	6,385	-
Payment for shares bought-back	-	(1,428)
Dividend paid	(8,015)	(6,423)
Net cash (used in) financing activities	(1,630)	(7,851)
Net (decrease) in cash and cash equivalents	(9,901)	(17,460)
Cash and cash equivalents at the beginning of the half-year	56,056	64,883
Cash and cash equivalents at end of the half-year	46,155	47,423

The accompanying notes form part of these financial statements.

PREMIUM INVESTORS LIMITED
ABN 47 106 259 885

NOTES TO THE HALF-YEAR FINANCIAL REPORT
31 DECEMBER 2006

NOTE 1: SUMMARY OF ACCOUNTING POLICIES

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

The half-year financial report should be read in conjunction with the Annual Financial Report of Premium Investors Ltd as at 30 June 2006. It is also recommended that the half-year financial report be considered together with any public announcements made by the Company during the half-year ended 31 December 2006 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

(a) Basis of preparation

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting and other mandatory reporting requirements.

The half-year financial report has been prepared on a historical cost basis except for certain investments which have been measured at fair value.

The board authorised the report for issue on 19 February 2007.

The financial report is presented in Australian dollars.

Premium Investors Limited is a company incorporated in Australia and limited by shares, which are publicly traded on the Australian Stock Exchange.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

(b) Changes in accounting policies

The accounting policies applied are consistent with the most recent financial report for the year ended 30 June 2006.

(c) Comparatives

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

PREMIUM INVESTORS LIMITED
ABN 47 106 259 885

NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

NOTE 2: REVENUES AND EXPENSES

Profit from continuing operations consist of the following specific gains and expenses:

	6 Months ended 31 Dec 2006 \$'000	6 Months ended 31 Dec 2005 \$'000
(a) Revenue from continuing operations		
Dividend income	3,201	3,510
Interest income	1,351	1,491
Other income	-	967
	4,552	5,968
(b) Profit from continuing operations has been arrived at after charging the following expenses		
Administration costs	469	439
ASX and share registry costs	157	129
Fund management fees	1,474	1,182
Provision for fund performance fees	1,230	-
	3,330	1,750
	31 Dec 2006	31 Dec 2005
	\$	\$

NOTE 3: DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES

Dividends paid or provided for in the current and comparative periods by Premium Investors Limited are:

(a) Dividends paid during the half year		
Final fully franked dividends (4.0 cents per share; 2005: 4.0 cents per share)	8,015,181	7,860,655
(b) Dividends proposed and not recognised as a liability*		
Interim fully franked dividends (4.0 cents per share; 2005: 4.0 cents per share)	8,273,130	7,923,832

* Calculation based on the ordinary shares on issue as at 31 January 2007

PREMIUM INVESTORS LIMITED
ABN 47 106 259 885

NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

NOTE 4: OTHER FINANCIAL ASSETS

	Note	31 Dec 2006 \$'000	30 Jun 2006 \$'000
Listed securities at current market value (Non-current)	4(a)	229,831	183,017
<i>(a) Terms and conditions relating to the above financial instruments</i>			
(i) Listed securities are readily saleable with no fixed terms. However, it is the directors' intention to hold the investment for the long term.			
(ii) There would be a capital gains tax payable of \$11,050,132 based upon a tax rate of 30% if these assets were sold at the reporting date.			

NOTE 5: CONTRIBUTED EQUITY

	31 December 2006 \$'000		30 June 2006 \$'000	
<i>(a) Issued and paid up capital</i>				
Ordinary shares fully paid	202,653		196,260	
<i>(b) Movements in shares on issue</i>				
	<u>No. of shares</u>	<u>\$</u>	<u>No. of shares</u>	<u>\$</u>
Beginning of the period	200,379,522	196,259,962	198,020,451	194,089,034
Issued during the period:				
- dividend reinvestment plan	1,815,833	1,797,675	3,863,156	3,598,821
- share purchase plan	4,632,910	4,595,000	-	-
Bought back during the period	-	-	(1,504,085)	(1,427,893)
Total movement during period	6,448,743	6,392,675	2,359,071	2,170,928
End of the period	206,828,265	202,652,637	200,379,522	196,259,962

NOTE 6: SEGMENT INFORMATION

The Company operates in one business segment, being investing, solely in Australia.

PREMIUM INVESTORS LIMITED
ABN 47 106 259 885

NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

NOTE 7: COMMITMENTS

On 10 October 2003, the Company and Treasury Group Investment Services Limited (the “Manager”) entered into a Management Agreement (the “Agreement”), appointing the Manager exclusively as its agent to manage generally the Company and to invest and manage all of the money, securities and other investment of the Company in accordance with the Agreement.

Subject to the continuation clause described below, the Agreement will continue in force for period of 25 years. The Company can only terminate the Agreement if a termination fee is payable to the Manager which is equal to 12 times the base (monthly) fee payable to the Manager in the second last month before the termination of the Agreement. The termination fee is payable within 7 days of the date of termination.

At the Annual General Meeting on 3 November 2005, the Company amended its constitution to provide for a shareholder vote on the continuation of the Company for the event that the share price of the Company trades at a discount of 10% or greater to the net tangible assets per share after tax has been paid or provided for on all realised and unrealised capital gains throughout the period of twelve months leading up to the balance date.

NOTE 8: SUBSEQUENT EVENT

On 19 February 2007, the directors of Premium Investors Limited declared an interim dividend on ordinary shares in respect of the June 2007 year. The total amount of the dividend is \$8,273,130, which represents a fully franked dividend of 4.0 cents per share. The dividend has not been provided for in the 31 December 2006 half-year financial statements and will be recognised in subsequent financial reports.

NOTE 9: PROVISIONS

	31 Dec 2006	30 Jun 2006
	\$'000	\$'000
Provision for performance fee	1,230	-

A performance fee for the financial year ending 30 June 2007 is payable at 20% of the amount by which the Portfolio’s annual performance after the deduction of base fee exceeds the return achieved by the UBS Australian Bank Bill Index plus 2% per annum (the “Benchmark”) to a maximum of 1% of the Company’s Adjusted Portfolio Value.

Any investment losses, where the performance of the investment portfolio is negative for the financial year is aggregated and carried forward. No performance fee becomes payable until the aggregate of the performance deficits from previous financial years are fully recouped.

PREMIUM INVESTORS LIMITED
ABN 47 106 259 885

NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

NOTE 9: PROVISIONS (Cont.)

The 6 month pre-tax performance of the Portfolio was 16.90% (2005: 8.81%) compared to the Benchmark of 4.09% (2005: 3.84%). Based on the performance for the six months ended 31 December 2006, it is regarded as probable that the performance fee will be paid at the end of the financial year, as at that date the 1% performance fee cap had been exceeded. Consequently a provision has been recorded.

Due to the lower performance achieved in the comparative period ended 31 December 2005, the performance fee did not meet the recognition criteria for a provision and the potential performance fee of \$1,180,000 was disclosed as a contingent liability in the financial report for the half-year ended 31 December 2005 and not recorded as a provision.

The actual performance fee for the financial year is subject to the future performance of the Company's Portfolio and is determined on 30 June 2007.

NOTE 10: RELATED PARTY TRANSACTIONS

Fund management fees

During the period, Premium Investors Limited paid fund management fees of \$1,281,696 (2005: \$1,181,762) to Treasury Group Investment Services Ltd, a wholly owned subsidiary of Treasury Group Limited, a company of which Don Sharp is a director. Dealings were on commercial terms and conditions. The terms and conditions are in accordance with the management agreement.

Fund performance fees

During the period, Premium Investors Limited made a provision for fund performance fees of \$1,230,000 (2005: \$Nil) payable to Treasury Group Investment Services Ltd, a wholly owned subsidiary of Treasury Group Limited, a company of which Don Sharp is a director. Dealings were on commercial terms and conditions. The terms and conditions are in accordance with the management agreement.

Services

During the period, Premium Investors Limited paid management fees, accounting fees and compliance fees of \$212,349 (2005: \$141,251) to Treasury Group Investment Services Ltd, a wholly owned subsidiary of Treasury Group Limited, a company of which Don Sharp is a director. Dealings were on commercial terms and conditions. The terms and conditions are in accordance with the management agreement.

Payable

Amounts owing to the director-related entity in respect of fund management fees and service fees at the end of the period totalled \$310,466 (2005: \$426,008).

PREMIUM INVESTORS LIMITED
ABN 47 106 259 885

NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

NOTE 11: EARNINGS PER SHARE

	31 Dec 2006	31 Dec 2005
	\$	\$
The following reflects the income and share data used in the calculations of basic and diluted earnings per share:		
Net profit attributable to ordinary equity holders	<u>25,372,743</u>	<u>12,553,192</u>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>203,493,482</u>	<u>197,488,952</u>

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

PREMIUM INVESTORS LIMITED
ABN 47 106 259 885

DIRECTORS DECLARATION

In accordance with a resolution of the directors of Premium Investors Limited, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:
 - a. giving a true and fair view of the financial position as at 31 December 2006 and the performance for the half-year ended on that date of the Company; and
 - b. complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the directors

A handwritten signature in black ink, appearing to be 'J Elf', with a long horizontal line extending to the right.

John Elfverson
Managing Director

Sydney, 19 February 2007

INDEPENDENT REVIEW REPORT TO THE MEMBERS OF PREMIUM INVESTORS LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Premium Investors Limited, which comprises the condensed balance sheet as at 31 December 2006, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Premium Investors Limited are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Premium Investors Limited's financial position as at 31 December 2006 and its performance for the half-year ended on that date; and complying with Accounting Standard

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Premium Investors Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Premium Investors Limited's financial position as at 31 December 2006 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.



PITCHER PARTNERS



BRENDAN BRITTEN
Melbourne

19 February 2007