

21 December 2012

SCHEME CONSIDERATION

Premium Investors Limited (ASX: PRV) (“Premium”) is pleased to announce that the calculation of the consideration that each Scheme Participant will receive per Premium Share has been finalised.

SCRIP CONSIDERATION

The number of New WAM Shares and New WAM Options to be issued to Scheme Participants who elect to receive Scrip Consideration will be calculated based on the following formula:

$$NewWAM = PRVShares * \left(\frac{PRVNTA}{WAMNTA} \right)$$

Where:

- **NewWAM** means the number of New WAM Shares to be issued to each Scheme Participant.
- **PRVShares** means the number of Premium Shares held by the Scheme Participant as at the Record Date that are elected for Scrip Consideration.
- **PRVNTA** means the pre-tax net tangible asset backing of Premium per Premium Share (less deferred tax assets carried on the balance sheet and Premium transaction costs).
- **WAMNTA** means the pre-tax net tangible asset backing of WAM per WAM Share (less WAM transaction costs).

The PRVNTA and WAMNTA were calculated on 12 December 2012, and have been certified by the respective auditors of Premium and WAM in accordance with the Scheme Implementation Agreement between WAM and Premium.

Key Formula Inputs	Scrip Consideration and Exchange Ratio
PRVNTA:	84.1cps
WAMNTA:	167.3cps
Exchange Ratio:	0.5025

The Exchange Ratio governs the number of New WAM Shares and New WAM Options that will be issued to each PRV Shareholder for each PRV Share that has been elected for Scrip Consideration. It has been calculated by dividing the PRVNTA by the WAMNTA.

Scheme Participants will receive 502 New WAM Shares and 502 New WAM Options for every 1,000 Premium Shares that they hold with which they elected for Scrip Consideration.



Based on the value of WAM Shares and WAM Options as at the Calculation Date of 12 December 2012, the Indicative value of the Scrip Consideration was as follows:

Key Formula Inputs	Indicative Scrip Consideration at Calculation Date
WAM Share Price	166.0 cps
WAM Option Price	4.9 cps
Exchange Ratio	0.5025
Indicative Value of Scrip Consideration	85.9cps

CASH CONSIDERATION

Premium Shareholders who elect to receive Cash Consideration will receive an amount equal to the Premium pre-tax net tangible asset backing per share calculated on 12 December 2012, less deferred tax assets carried on the balance sheet and transaction costs associated with implementing the Scheme, for each Premium Share.

Key Formula Inputs	Cash Consideration
PRV Scheme NTA per Share:	84.1cps

KEY DATES TO IMPLEMENTATION

Key Event	Date
Implementation Date	Monday 31 December 2012
Distribution of Cash Consideration	Monday 31 December 2012
Despatch of WAM confirmation statements	Monday 31 December 2012

Lindsay Mann
Chairman