

31 October 2012

COURT APPROVES RELEASE OF SCHEME BOOKLET AND CONVENING OF SCHEME MEETING

Premium Investors Limited ("Premium") (ASX: PRV) announces that the Federal Court of Australia has today (31 October 2012) approved the release of the Scheme Booklet for the proposed merger via a scheme of arrangement ("Scheme") of Premium with WAM Capital Limited ("WAM"). The Federal Court of Australia has ordered that a meeting of Premium shareholders be convened to consider the Scheme.

The Scheme Meeting will be held on Monday 10 December 2012 at the offices of Computershare Investor Services Pty Ltd, Level 4, 60 Carrington Street, Sydney, New South Wales at 10:30am (Sydney time).

If the Scheme is implemented, Premium shareholders will be able to elect either:

- to receive cash consideration for up to 100% of their PRV shares (Cash Consideration);
- to exchange up to 100% of their PRV shares for shares in WAM (Scrip Consideration); or
- a combination of the above.

The Scheme Booklet contains a report by the Independent Expert, Lonergan Edwards & Associates Limited. The Independent Expert has concluded that both the Cash Consideration component and the Scrip Component of the Scheme are fair and reasonable and are in the best interest of Premium's shareholders in the absence of a superior proposal.

Both the Cash Consideration and the Scrip Consideration are expected to deliver Premium shareholders a significant premium to the company's share price both:

- prior to the announcement of the proposed buy-back on 22 August 2012; and
- after the proposed buy-back announcement but before the announcement of the Scheme.

The Independent Directors of Premium unanimously recommend that Premium shareholders vote in favour of the Scheme at the Scheme meeting, in the absence of a superior proposal. Subject to the same qualification, each of the Directors intends to vote all the Premium shares owned or controlled by them in favour of the Scheme. Reasons for the Directors' recommendation are set out in detail in the Scheme Booklet.

Copies of the Scheme Booklet, including the Independent Expert's Report, will be dispatched to Premium shareholders following registration of the Scheme Booklet with ASIC and lodgement of the Scheme Booklet with ASX. A further announcement attaching the Scheme Booklet will be released by Premium following its registration with ASIC.

Premium Shareholders with questions in relation to the Scheme can call the Shareholder Information Line on 1800 087 348 (within Australia) or +61 3 9415 4000 (outside Australia) between 8.30am and 7.00pm Monday to Friday (Sydney time).

A handwritten signature in black ink, appearing to read "Lindsay Mann".

Lindsay Mann

Chairman

