

PREMIUM INVESTORS LIMITED
(ACN 106 259 885)

SUPPLEMENTARY PROSPECTUS

This is a Supplementary Prospectus which supplements and is to be read with the prospectus dated 14 October 2003 ("Prospectus") which was issued by Premium Investors Limited ("Company").

This Supplementary Prospectus is dated 14 November 2003 and was lodged with the Australian Securities and Investments Commission ("ASIC") on 14 November 2003. None of ASIC, the ASX and their respective officers take responsibility for the contents of this Supplementary Prospectus.

Terms defined in the Prospectus have the same meaning in this Supplementary Prospectus except where otherwise defined in this Supplementary Prospectus or where the context requires otherwise.

The purpose of this Supplementary Prospectus is to update the Prospectus.

Increase in maximum subscription amount

The Prospectus provided for the offer of up to 100,000,000 Shares at \$1.00 per Share to raise up to \$100,000,000 together with up to 100,000,000 attaching Options having an exercise price of \$1.00 per Option and an expiry date of 31 December 2004.

The Prospectus contemplated that in the event of an oversubscription, the Company may decide to issue a supplementary prospectus to allow for the issue of more than 100,000,000 Shares and 100,000,000 Options and the raising of more than \$100,000,000.

As the Offer has been oversubscribed, the Company has decided to increase the maximum amount which may be raised under the Prospectus to \$175,000,000 and, consequently, to allow for the issue of up to 175,000,000 Shares and 175,000,000 attaching Options.

To the extent of any inconsistency between this Supplementary Prospectus and the Prospectus, this Supplementary Prospectus will prevail.

Pro forma Statement of Financial Position

The pro forma Statement of Financial Position set out below has been prepared to illustrate the financial position of the Company following completion of the Issue assuming that the maximum subscription of \$175 million is achieved. The pro forma Statement of Financial Position is intended to be illustrative only and will not reflect the actual position and balances as at the date of this Supplementary Prospectus or at the conclusion of the Issue.

	Note	Maximum Subscription \$175m
ASSETS		
Cash	See below	\$171,321,171
LIABILITIES		
NET ASSETS		\$ 171,321,171
EQUITY		\$ 171,321,171
NTA (cents per share)		97.9

Assumptions

In the pro forma Statement of Financial Position "Maximum Subscription", reference is to subscription of 175,000,000 of Shares by Applicants under this Supplementary Prospectus.

Cash

A reconciliation of the pro forma Statement of Financial Position for cash is as follows:

	Subscription for \$175 million issue
	\$
Initial Subscriber Shares – at \$1.00 each	2
Proceeds of Prospectus Offer – at \$1.00 each	\$ 175,000,000
Expenses of Offer	\$ 3,678,831
Estimated Net Cash Position	\$ 171,321,171

Expenses of the Offer

The expenses of the Offer are estimated below:

	Subscription for \$175 million issue
	\$
Handling fees on subscriptions	\$ 2,870,000
ASX Listing Fees/ASIC Fees	\$ 94,018
Legal and Accounting	\$ 88,600
Lead Manager costs	\$ 456,125
Other Costs	\$ 170,088
Total estimated expenses	\$ 3,678,831

Consent

Pitcher Partners has given and before lodgement of this Supplementary Prospectus with ASIC has not withdrawn its written consent to the inclusion of the Independent Accountants Report in this Supplementary Prospectus in the form and context in which it appears. Pitcher Partners do not make or purport to make any statement in this Supplementary Prospectus other than the Independent Accountants Report.

Directors' statement

Each Director has consented to this Supplementary Prospectus and its lodgement with ASIC and has not withdrawn that consent.



PITCHER PARTNERS

ACCOUNTANTS AUDITORS & ADVISORS

Level 6
161 Collins Street
Melbourne
Victoria 3000

Postal Address:
GPO Box 5193 AA
Melbourne Vic 3001
Australia

Tel: 03 9289 9999
Fax: 03 9289 9977

DX Address:
DX 501 Melbourne

www.pitcher.com.au
partners@pitcher.com.au

AN INDEPENDENT MEMBER OF BAKER TILLY
INTERNATIONAL - OFFICES THROUGHOUT THE WORLD

D B RANKIN	T A JONAS
G E WALSH	S P CATLIN
T J BENFOLD	G E BLASHKI
C J TATTERSON	A R FITZPATRICK
P T RILEY	I D STEWART
M W PRINGLE	R RIGONI
G M RAMBALDI	R CLUMMINGS
D A KNOWLES	D A THOMSON
F J ZAHRA	M J LANGHAMMER
M C HAY	J BRAZZALE
S SCHONBERG	V A ARNETT
S DAHN	M D NORTHEAST
A R YEO	P A JOSE

MWP:amp

14 November 2003

The Directors
Premium Investors Limited
Level 15
90 Collins Street
MELBOURNE VIC 3000

Dear Sirs

INDEPENDENT ACCOUNTANT'S REPORT

This report has been prepared at the request of the directors of Premium Investors Limited ("Premium Investors" or "the Company") for inclusion in a Supplementary Prospectus to be dated on or about 14 November 2003. This report relates to the Prospectus issued by Premium Investors dated 14 October 2003 offering up to 100,000,000 fully paid ordinary shares at \$1.00 each and 100,000,000 options to acquire ordinary shares exercisable at \$1.00 per ordinary share ("the Prospectus"). The purpose of this report is to update the Independent Accountants Report dated 14 October 2003 included in the Prospectus referred to above.

Expressions defined in the Prospectus and the Supplementary Prospectus have the same meaning in this report.

This report considers the pro-forma Statement of Financial Position at completion of the proposed capital raising immediately after the initial allocation of shares and options.

Background

Premium Investors was incorporated on 16 September 2003 with two ordinary shares at \$1.00 each fully paid and has not traded or issued shares since incorporation. The shares are held by Treasury Group Limited.

Pitcher Partners provided a consent to its appointment as auditors of the Company on 29 September 2003.

The first balance date of the Company will be for the period since incorporation to 30 June 2004.

Premium Investors intends to invest the net proceeds of the Prospectus offering through selected Investment Managers in securities predominantly comprising of securities quoted on the ASX, bills of exchange, other negotiable investments, debentures and other investments, as set out in section 2.7 of the Prospectus.

Treasury Group Investment Securities Limited, a wholly owned subsidiary of Treasury Group Limited, has been appointed the Manager as set out in section 7.5 of the Prospectus. The Company expects that the Manager will primarily engage “boutique” Investment Managers to manage its investment portfolio. The initial Investment Managers are as set out in Section 2.8 of the Prospectus. The Manager and the Investment Managers it appoints receive management and performance fees as set out in section 7.5 of the Prospectus.

Scope of Our Report

This report deals with the prospective financial information included in the Supplementary Prospectus and as set out in section 4 of the Prospectus and should be read in conjunction with our previous report dated 14 October 2003 set out in section 5 of the Prospectus.

The pro-forma Statement of Financial Position included in the Supplementary Prospectus has been prepared to illustrate the financial position of the Company on completion of the issue assuming \$175,000,000 is raised from the issue and has been prepared on the basis of the assumptions, accounting policies and notes as set out in sections 4.1 to 4.6 of the Prospectus.

The directors of Premium Investors are responsible for the preparation and presentation of the pro-forma Statement of Financial Position including the assumptions, accounting policies and notes on which it is based.

The directors have not included in the Prospectus or the Supplementary Prospectus any forecast of the earnings of the Company.

Review of Financial Information

We have conducted our review of the pro-forma Statement of Financial Position in accordance with Auditing Standards AUS902 “Review of Financial Reports” and AUS804 “The Audit of Prospective Financial Information”. Our procedures consisted primarily of enquiry and comparison and such other analytical procedures we, in our professional judgement, considered necessary so as to adequately evaluate whether the assumptions and estimated expenses appear reasonable in the circumstances.

These review procedures were substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and accordingly do not express an audit opinion.

Statement on Financial Information

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that:

- (a) the pro-forma Statement of Financial Position has not been properly prepared on the basis of the proposed transactions;
- (b) the proposed transactions do not form a reasonable basis for the pro-forma Statement of Financial Position; and
- (c) the assumptions, accounting policies, notes and estimated expenses of the offer made by directors, do not provide a reasonable basis for the preparation of the pro-forma Statement of Financial Position.

Working Capital

As required by ASX Listing Rule 1.3.3 we advise that in our opinion, the Company will have enough working capital to carry out its stated objectives.

Subsequent Events

Apart from the matters dealt with in this report, and having regard to the scope of our report, to the best of our knowledge and belief no material transactions or events outside of the ordinary business of the Company have come to our attention that would require comment on, or adjustment to, the information referred to in our report or that would cause such information to be misleading or deceptive.

Yours faithfully
PITCHER PARTNERS



M W PRINGLE
Partner