

26 July 2011

PRESS RELEASE

Strong Full Year Dividend Sustained

- **Final dividend of 3.5 cents per share fully franked**
- **Dividend Reinvestment Plan available for final dividend, at a 5% discount**
- **Share Purchase Plan of \$7,500 per shareholder available at a 5% discount**

Premium Investors Limited (PRV) is pleased to announce a final dividend of 3.5 cents fully franked with a record date of 12 August 2011 and a payment date of 9 September 2011.

PRV Chairman Mr Tom Collins said; "The Board of Premium is pleased with the company's ability to deliver this result. Dividends declared in respect to the 2010/11 financial year totalled seven cents per share."

Mr Collins went on to say that the unique structure of the company's investments should assist the maintenance of a sound stream of fully franked dividends in coming years, provided no major deterioration of domestic or global financial markets is experienced.

"The ability to provide a strong dividend stream for shareholders during the past year is particularly gratifying given the major off-market buyback undertaken in 2009. This buyback enabled investors who were concerned about the structural share price discount to exit their investment. This resulted in a 60.5% reduction in the size of the company and a share register with approximately 4,000 loyal shareholders who wished to retain their investment in PRV's unique investment process.

Mr Collins said; "During the past two years your Board has focused on restructuring the portfolio to a smaller, cost efficient structure and enhancing the investment process to provide superior benefits to its shareholders. The impact of these initiatives have provided shareholders with 15.5c of fully franked dividends and a series of generous discounted dividend reinvestment plans and share purchase plans, which have enabled shareholders to achieve added value from their investment."

"The company is now in excellent shape and has an efficient structure and a Board committed to consolidating on the achievements of the past two years."

At present many Australian LIC's continue to trade at discounts to their net asset base and PRV is currently trading around 76c compared to its net tangible asset (NTA) value (as at 30 June) of 91.6c. The NTA includes 5 cents per share attributable to tax benefits. Based on the NTA the fully franked dividend yield is 7.7% and 9.3% on market value. On either measure, Mr Collins said PRV is providing shareholders outstanding investment returns.

The audited full year results for the year ending 30 June 2011 will be released on Tuesday 23 August 2011.



In viewing the company's future prospects Mr. Collins advised that under the terms of the company's Constitution, the Board will be tabling an ordinary resolution at the AGM in October to afford shareholders the opportunity to vote on the continuation of the company's business in its current form or otherwise (as per PRV's constitution).

Shareholders will be provided with more details on the resolution and the Board's recommendation with the notice of meeting which will be sent to shareholders in late September.

A handwritten signature in black ink, appearing to read "Tom Collins", with a small apostrophe at the end.

Tom Collins
Chairman