ABERDEEN LEADERS LIMITED
REPORT TO SHAREHOLDERS

Dear Shareholder,

The Australian share market has made a strong start to the new year, outperforming most major global markets over the quarter. Australia's improved domestic economic outlook saw more cyclical sectors (engineering, resources, transport, paper & packaging) outperform over the quarter, while defensive sectors (property trusts, healthcare, consumer staples) underperformed. Economic releases during the March quarter almost uniformly surpassed expectations, showing a surprising strength in labour force numbers and continued strength in leading indicators of housing.

At present, the very low level of interest rates means that housing finance for construction and building approvals is likely to remain at relatively high levels for some time. As export growth slows further, impacted by a weaker global economy, Australia's domestic consumption is likely to remain supported by low interest rates and positive real wages growth.

Over the past year, shareholders have received a total fully franked dividend of 12.5 cents per share including a special dividend of 6.25 cents per share paid on June 26, 2001. At the month-end share price, the yield after excluding the special dividend is 5.1%, well above that of the current average dividend yield of 3.2% of the S&P/ASX 50 Leaders Index.

Yours sincerely,

[redacted]

Laurence Freedman
Chairman

NET TANGIBLE ASSETS

	At 31 March 2002
NTA per Share *	$1.25
Market Price	$1.23
Discount to NTA	1.6%
Dividend Yield (100% franked **)	10.2%

* Excluding tax on unrealised gains
** 5.1% excluding special dividend

PORTFOLIO COMPOSITION

	At 31 March 2002
Equities	97.6%
Net Cash	2.4%
Total	100.0%

DIVIDEND

The total dividend paid last financial year was 12.5 cents (fully franked), including a special dividend of 6.25 cents per share paid on June 26. Aberdeen Leaders' dividend yield stands at 10.2% for the 12 months to March 31, based on a share price of $1.23.

The yield after excluding the special dividend is 5.1%, well above the current average dividend yield of 3.2% of the S&P/ASX 50 Leaders Index, which is only 78.9% franked.

Subject to market conditions and the availability of profits, the Company intends to continue to pay a dividend of 1.25 cents per share each calendar quarter, with a 2.5 cents payment in the June quarter.

REVIEW OF ACTIVITIES

During the March quarter BRL Hardy and Westfield Trust were added to the portfolio, as these stocks are believed to offer good long-term growth prospects. Woodside Petroleum was also added to the Fund in March. Woodside is a financially strong, well run oil and gas company, whose earnings are underpinned by the long term Northwest Shelf LNG joint venture project.

The Fund sold out of Brambles Ltd, due to concerns over margins and profitability in their US business and the weighting in AMP was reduced during the month as the stock's share price reached our fair valuation levels.

The Fund maintained overweight positions in both AGL and Tabcorp. AGL's shares rose over the quarter as the July 1 deadline loomed for the NSW Department of Energy to remove a 5 per cent shareholder cap on the $3.6 billion group. Tabcorp posted a better than expected 38.4% jump in first-half profit to $128.1 million.

The Fund's weighting in AXA Asia Pacific Holdings also assisted relative performance, with AXA's competitive strength lying in its traditional insurance products and strong distribution network.

The Fund benefited from an underweight position in News Corporation, which fell 17.3%, and reported a second-quarter net loss of $1.2 billion after abnormals.

OUTLOOK

Confidence in Australia's ability to ride out the global recession has been boosted by a number of indicators showing the economy ended 2001 with consumer spending and housing investment still strong and the jobs market enjoying a tentative recovery. Recent data released has revealed a 1.3% increase in GDP in Q4 2001, well above the market consensus expectation of a 0.8% rise. Importantly, a further run down in stocks in the quarter is expected to set up H1 2002 for further solid growth.

The key impetus to Australian growth in H2 2001 was the upturn in the construction cycle, with flow-on effects to housing-related consumption and employment. While the contribution to GDP from housing is likely to abate by mid 2002, there is little reason to expect that it will become a drag on growth. The very low level of interest rates means that housing finance for construction and building approvals could remain at relatively high levels until the interest rate cycle turns.

Domestic consumption remains supported by low interest rates, positive real wages growth and high levels of confidence, while a firmer global economy is likely to see export growth recover later in the year. Importantly, signs are also now emerging that business investment will take up some of the slack from the slowing housing sector in 2002.

PORTFOLIO OF ABERDEEN LEADERS LIMITED AS AT 31 MARCH 2002

Security Name	Market Value ($)	% of Portfolio	% of S&P/ASX 50 Leaders
Utilities			
Australia Gas Light	3,989,400	3.3	0.6
Financials Ex-Property Trusts			
AMP Limited	4,845,000	4.0	3.9
ANZ Banking Group	8,529,600	7.0	4.9
AXA Asia Pacific Holdings	4,123,000	3.4	0.8
Commonwealth Bank of Australia	6,408,000	5.2	7.3
National Australia Bank	12,301,200	10.1	9.8
QBE Insurance Group	6,657,940	5.4	0.8
Westfield Holdings	1,169,000	1.0	1.7
Westpac Banking Corp	8,195,250	6.7	5.0
Consumer			
Aristocrat Leisure	2,987,750	2.4	0.5
BRL Hardy	1,060,000	0.9	-
Fosters Group	5,414,845	4.4	1.7
News Corporation – Preference	5,940,000	4.9	5.0
Tabcorp Holdings Ltd	3,553,200	2.9	0.8
Woolworths	3,120,000	2.6	2.4
Materials			
Bhp Billiton Ltd	11,331,600	9.3	7.7
Rio Tinto Limited	4,975,080	4.1	3.4
Wmc Ltd	3,490,355	2.9	2.0
Industrials			
Leighton Holdings	3,701,740	3.0	-
Telecommunications			
Telecom Corp Of Nz	3,383,000	2.8	0.7
Telstra Corp	7,101,600	5.8	6.3
Property Trusts			
Westfield Trust	3,013,200	2.5	1.2
Energy			
Woodside Petroleum	3,966,300	3.2	1.8
TOTAL EQUITY	**119,257,060**	**97.6%**	
NET CASH	**2,966,635**	**2.4%**	
NET TANGIBLE ASSETS EXCLUDING DEBT	**122,223,695**	**100.0%**	
LOAN FACILITY	**(50,000,000)**		
NET TANGIBLE ASSETS	**72,223,695**		

The Company is a long term investor which does not intend disposing of its total portfolio. If estimated tax on unrealised gains were to be deducted in determining the NTA, the net asset backing per share as at 31 March 2002 would be $1.18.