

WAM CAPITAL LIMITED

(ACN 086 587 395)



WAM CAPITAL DECEMBER 2002 **INVESTMENT UPDATE & NTA**

Since inception in August 1999 WAM Capital Ltd (WAM) has outperformed the overall sharemarket. WAM's portfolio (before all fees, costs, taxes and dividend) has increased by 129.1% compared to a 11.2% increase in the All Ordinaries Accumulation Index.

- In December WAM's portfolio (before all fees, costs and taxes) increased by 1.3% while the All Ordinaries Accumulation Index fell by 1.5%.
- The ex dividend NTA before all taxes was 125.7c a share, as at 31st December.
- The ex dividend NTA after all taxes was 121.3c a share, as at 31st December.

The above figures are after the payment of a 4c fully franked final dividend and a 4c fully franked special dividend. The above figures are after 22,595,367 options, with a strike price of \$1.20 each, have been exercised. The Option issue expired on December 17.

WAM is an investment company whose mission is to provide superior returns to its investors over the medium to long term. WAM is managed by Wilson Asset Management (International) Pty Limited.

MARKET OUTLOOK

The market has now turned its focus to the upcoming half year profit reporting season. Despite great uncertainty with the global economic outlook we believe equity prices will be driven by earnings.

PORTFOLIO STRUCTURE & STRATEGY

As at 31st December 2002 equities made up approximately 63% of the portfolio, while fixed interest, cash and debt securities made up the remaining 37%. We continue to focus on companies with strong earnings per share growth, trading on attractive earnings multiples, that are well positioned in growth industries and have proven management. We continue to research heavily to find companies that meet this profile.

DIVIDENDS

The company paid, on 7th November 2002, a final dividend of 4 cents a share fully franked, and a special dividend of 4 cents a share fully franked.

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The major securities held as at 31st December 2002 in the fund give exposure to:

McGuigan Simeon Wines Ltd
 Australian Stock Exchange Ltd
 RG Capital Radio Ltd
 Roberts Ltd
 Nova Health Ltd
 Plaspak Group Ltd
 Loftus Capital Partners Ltd
 Oamps Ltd
 Sydney Gas 12% (Conv. Notes)

Burns Philip Ltd 7.5 % (Conv. Pref.)
 Port Douglas Reef Resorts Ltd (Conv. Notes)
 Timbercorp Ltd 9% (Conv. Pref.)
 Select Harvests Ltd
 Reynolds Wines Ltd 8.75% (Conv.Pref.)
 Sirtex Medical Ltd
 Greens Foods Ltd
 Ridley Corporation Ltd
 Ten Network Holdings Ltd
 CPH Investment Corp

PERFORMANCE

| | Aug 99 | Sep 99 | Oct 99 | Nov 99 | Dec 99 | Jan 00 |
|-----------------------|---------------|---------------|---------------|---------------|---------------|------------------------|
| Gross Portfolio * | +1.4% | +5.1% | +4.1% | +11.0% | +4.9% | -2.0% |
| All Ordinaries Accum. | -1.9% | -1.7% | +0.5% | +5.9% | +3.7% | -1.8% |
| | | | | | | |
| | Feb 00 | Mar 00 | Apr 00 | May 00 | Jun 00 | Jul 00 |
| Gross Portfolio * | +5.4% | +5.3% | -5.7% | -2.9% | +3.6% | +2.9% |
| All Ordinaries Accum. | +1.6% | +0.5% | -1.5% | -1.3% | +7.7% | -1.3% |
| | | | | | | |
| | Aug 00 | Sep 00 | Oct 00 | Nov 00 | Dec 00 | Jan 01 |
| Gross Portfolio * | +5.2% | -0.7% | +2.5% | +1.9% | +0.1% | +1.7% |
| All Ordinaries Accum. | +1.7% | +0.2% | -1.1% | +1.1% | -2.0% | +4.4% |
| | | | | | | |
| | Feb 01 | Mar 01 | Apr 01 | May 01 | Jun 01 | July 01 |
| Gross Portfolio * | -0.2% | - 3.7% | +3.9% | +6.7% | +6.9% | -1.0% |
| All Ordinaries Accum. | -0.2% | - 4.8% | +5.7% | +1.6% | +3.8% | -4.5% |
| | | | | | | |
| | Aug 01 | Sep 01 | Oct 01 | Nov 01 | Dec 01 | Jan 02 |
| Gross Portfolio * | +4.6% | -2.9% | +8.6% | +3.8% | +3.3% | +7.0% |
| All Ordinaries Accum. | -1.3% | -6.7% | +6.8% | +3.4% | +2.7% | +1.3% |
| | | | | | | |
| | Feb 02 | Mar 02 | Apr 02 | May 02 | Jun 02 | Jul 02 |
| Gross Portfolio * | +3.1% | +4.9% | -0.4% | +0.7% | -2.2% | -3.6% |
| All Ordinaries Accum. | -1.1% | +0.8% | -1.8% | +0.9% | -4.4% | -4.1% |
| | | | | | | |
| | Aug 02 | Sep 02 | Oct 02 | Nov 02 | Dec 02 | Since Inception |
| Gross Portfolio * | +4.2% | -1.4% | +0.6% | +1.3% | +1.3% | +129.1% |
| All Ordinaries Accum. | +1.8% | -4.1% | +2.6% | +1.5% | -1.5% | +11.2% |

*The change in the portfolio before all expenses, fees and taxes

| | |
|---------------------------------------------------|--------|
| NTA before tax ** | 125.7c |
| NTA after tax and before tax on unrealised gains* | 124.4c |
| NTA after tax * | 121.3c |

* This is after the final payment of the dividend of 4 cents a share fully franked and the special dividend of 4 cents a share fully franked.

** This is after the payment of 4.1 cents a share in tax on profits made for the year to 30 June 2002 and the exercise of 22,595,367 options.

For further information please visit our website www.wamcapital.com.au or contact;

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