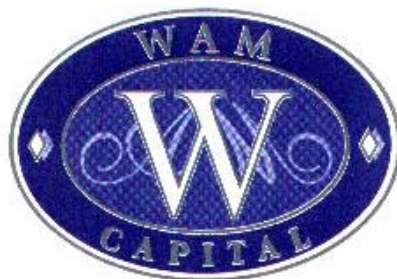


# WAM CAPITAL LIMITED

(ACN 086 587 395)



## **WAM CAPITAL FEBRUARY 2006** **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 345.3% compared to a 113.8% increase in the All Ordinaries Accumulation Index.

- In February WAM's portfolio (before all fees, costs and taxes) increased by 4.81%, while the All Ordinaries Accumulation Index increased by 0.70%.
- The gross portfolio has increased 20.6% for the 8 months to 28 February 2006.
- The NTA before tax was 169.39 cents a share\*, as at 28 February 2006.
- The NTA after tax was 157.99 cents a share, as at 28 February 2006.

The above figures are before the payment of an interim dividend of 7.0 cents a share fully franked, payable 28 April 2006.

\*This is after the payment of \$947,472 (1.42 cents a share) in tax.

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 Australian sharemarket bull run took a rest in February, with resources retreating marginally after a powerful surge over December and January. The global economic environment, however, is strong and very supportive for commodity prices in the short to medium term. February also saw most companies report their half year earnings. In the main, most companies lived up to the market's lofty expectations, providing a strong base for future earnings growth.

### **DIVIDEND**

The interim dividend of 7.0 cents a share fully franked will be paid on 28 April 2006. The shares will trade ex dividend on 13 April 2006.

### **PORTFOLIO STRUCTURE & STRATEGY**

As at 28 February 2006, equities made up approximately 83% of the portfolio, while fixed interest and cash made up the remaining 17%. We continue to focus on companies with strong

earnings per share growth, trading on attractive earnings multiples, and are well positioned in growth industries and have proven management. We continue to research heavily to find companies that meet this profile.

At 28 February 2006 the major securities held in the portfolio were:

COMPANY	MARKET VALUE \$
ABB Grain Ltd (ABB)	1,834,973
ABC Learning Centres Ltd (ABS)	2,129,626
Austar United Communications Ltd (AUN)	2,772,000
Bank of Queensland Reset Prefs (BOQS1RPS)	2,039,503
Bendigo Bank Ltd (BEN)	2,388,216
Coates Hire Ltd (COA)	1,552,007
Contango Microcap Ltd (CTN)	3,872,929
Credit Corp Group Ltd (CCP)	4,943,860
Customers Ltd (CUS)	1,755,746
Gropep Limited (GRO)	1,680,034
Incremental Petroleum Ltd (IPM)	1,842,750
Loftus Capital Partners Ltd (LCP)	1,704,088
Macquarie Leisure Trust (MLE)	1,917,693
Macquarie Media P/Paid (MMGCA)	811,440
Mariner Financial Ltd (MFI)	1,008,000
McMillan Shakespeare Ltd (MMS)	2,047,654
Melbourne IT Ltd (MLB)	1,524,896
Monadelphous Group Ltd (MND)	990,150
Mortgage Choice Ltd (MOC)	1,202,385
Multimedia Ltd (MUL)	1,751,566
News Corp Class B (NWS)	3,243,800
Oakton Ltd (OKN)	1,790,298
Oamps Ltd (OMP)	3,667,818
OFM Investment Group Ltd (OFM)	1,765,139
Photon Group Ltd (PGA)	2,123,538
RCR Tomlinson Ltd (RCR)	1,103,900
Rebel Sport Ltd (REB)	1,526,763
Reckon Ltd (RKN)	2,579,263
Reef Casino Trust (RCT)	1,009,336
Select Harvests Ltd (SHV)	4,008,308
Sigma Pharmaceuticals Ltd (SIP)	1,657,803
Tassal Group Ltd (TGR)	1,232,784
The Reject Shop Ltd (TRS)	1,258,502
Total Telecommunications Infrastructure Ltd (TCI)	1,365,606
Tower Ltd (TWR)	3,205,213
Wattyl Ltd (WYL)	857,832
Webjet Ltd (WEB)	1,617,000
Wentworth Mutual Ltd (WWM)	1,554,135

NTA before tax	169.39c*
NTA after tax and before tax on unrealised gains	167.37c
NTA after tax	157.99c

The above figures are before the payment of an interim dividend of 7.0 cents a share fully franked.

\*This is after the payment of \$947,472 (1.42 cents a share) in tax.

## PERFORMANCE TABLE

	<b>Aug 99</b>	<b>Sep 99</b>	<b>Oct 99</b>	<b>Nov 99</b>	<b>Dec 99</b>	<b>Jan 00</b>
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%
	<b>Feb 00</b>	<b>Mar 00</b>	<b>Apr 00</b>	<b>May 00</b>	<b>Jun 00</b>	<b>Jul 00</b>
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%
	<b>Aug 00</b>	<b>Sep 00</b>	<b>Oct 00</b>	<b>Nov 00</b>	<b>Dec 00</b>	<b>Jan 01</b>
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%
	<b>Feb 01</b>	<b>Mar 01</b>	<b>Apr 01</b>	<b>May 01</b>	<b>Jun 01</b>	<b>July 01</b>
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%
	<b>Aug 01</b>	<b>Sep 01</b>	<b>Oct 01</b>	<b>Nov 01</b>	<b>Dec 01</b>	<b>Jan 02</b>
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%
	<b>Feb 02</b>	<b>Mar 02</b>	<b>Apr 02</b>	<b>May 02</b>	<b>Jun 02</b>	<b>Jul 02</b>
Gross Portfolio *	+3.1%	+4.9%	-0.4%	+0.7%	-2.2%	-3.0%
All Ordinaries Accum.	-1.1%	+0.8%	-1.8%	+0.9%	-4.4%	-4.1%
	<b>Aug 02</b>	<b>Sep 02</b>	<b>Oct 02</b>	<b>Nov 02</b>	<b>Dec 02</b>	<b>Jan 03</b>
Gross Portfolio *	+3.9%	-1.1%	+1.1%	+1.6%	+1.5%	+1.3%
All Ordinaries Accum.	+1.8%	-4.1%	+2.6%	+1.5%	-1.5%	-1.3%
	<b>Feb 03</b>	<b>Mar 03</b>	<b>Apr 03</b>	<b>May 03</b>	<b>Jun 03</b>	<b>Jul 03</b>
Gross Portfolio *	-1.7%	-0.4%	+3.8%	+1.5%	+3.5%	+3.6%
All Ordinaries Accum.	-5.1%	+3.4%	+4.4%	+0.5%	+1.3%	+3.6%
	<b>Aug 03</b>	<b>Sept 03</b>	<b>Oct 03</b>	<b>Nov 03</b>	<b>Dec 03</b>	<b>Jan 04</b>
Gross Portfolio *	+5.2%	+3.7%	+5.4%	-0.7%	+3.6%	+2.5%
All Ordinaries Accum.	+3.5%	-0.1%	+3.5%	-2.1%	+3.7%	-0.7%
	<b>Feb 04</b>	<b>Mar 04</b>	<b>Apr 04</b>	<b>May 04</b>	<b>Jun 04</b>	<b>Jul 04</b>
Gross Portfolio *	+2.7%	+0.1%	-1.3%	-0.8%	+1.0%	+2.4%
All Ordinaries Accum.	+3.1%	+2.0%	-0.1%	+1.6%	+2.7%	+0.6%
	<b>Aug 04</b>	<b>Sep 04</b>	<b>Oct 04</b>	<b>Nov 04</b>	<b>Dec 04</b>	<b>Jan 05</b>
Gross Portfolio *	+1.2%	+2.5%	+2.9%	+3.3%	+0.7%	+2.7%
All Ordinaries Accum.	+1.1%	+3.8%	+3.1%	+4.6%	+3.0%	+1.3%
	<b>Feb 05</b>	<b>Mar 05</b>	<b>Apr 05</b>	<b>May 05</b>	<b>Jun 05</b>	<b>Jul 05</b>
Gross Portfolio *	-0.2%	-0.8%	-4.2%	+0.0%	+2.8%	+2.2%
All Ordinaries Accum.	1.8%	-0.7%	-3.8%	+3.4%	+4.5%	+2.8%
	<b>Aug 05</b>	<b>Sep 05</b>	<b>Oct 05</b>	<b>Nov 05</b>	<b>Dec 05</b>	<b>Jan 06</b>
Gross Portfolio *	+3.9%	+2.6%	+0.1%	+3.0%	+0.8%	+1.5%
All Ordinaries Accum.	+2.2%	+4.8%	-3.8%	+4.4%	+3.0%	+3.7%
	<b>Feb 06</b>					<b>Since Inception</b>
Gross Portfolio *	+4.8%					+345.3%
All Ordinaries Accum.	+0.7%					+113.8%

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

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