

WAM CAPITAL LIMITED

(ACN 086 587 395)



WAM CAPITAL SEPTEMBER 2004 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 239.7% compared to a 53.0% increase in the All Ordinaries Accumulation Index.

- In September WAM's portfolio (before all fees, costs and taxes) increased by 2.5% while the All Ordinaries Accumulation Index increased by 3.8%.
- The NTA before tax was 156.0 cents* a share, as at 30 September 2004.
- The NTA after tax was 145.4 cents* a share, as at 30 September 2004.

* The above figures are after the payment of 4.7 cents in tax for the 2004 financial year, and before the payment of a 5.0 cent fully franked final dividend.

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 continues to perform strongly on the back of robust profit growth. While gains have slowed from last financial year's frenetic pace, stocks continue to march higher. The federal election result has removed a level of uncertainty. It now appears the Reserve Bank will not raise interest rates in the foreseeable future.

PORTFOLIO STRUCTURE & STRATEGY

As at 30 September 2004 equities made up approximately 56% of the portfolio, while fixed interest, cash, and listed debt made up the remaining 44%. 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.

At 30 September 2004 the major securities held in the portfolio were:

| COMPANY | MARKET VALUE \$ |
|--|------------------------|
| AP Eagers Ltd | 758,984 |
| ASX Ltd | 816,630 |
| Austal Ltd | 624,000 |
| Bank of Queensland Reset Prefs | 2,013,000 |
| Bionomics Ltd | 628,680 |
| Catalyst Recruitment Systems Ltd | 1,006,859 |
| Cochlear Ltd | 593,865 |
| Consolidated Minerals Ltd | 749,150 |
| Credit Corp Group Ltd | 1,360,974 |
| Harvey World Travel Limited | 760,878 |
| Homeleisure Ltd | 629,636 |
| Integrated Tree Cropping Ltd | 587,250 |
| Loftus Capital Partners Ltd | 2,073,307 |
| Medical Developments International Ltd | 1,050,258 |
| Melbourne IT Ltd | 769,163 |
| MMC Contrarian Ltd | 1,656,400 |
| Oakton Ltd | 620,370 |
| OAMPS Ltd | 1,671,897 |
| OFM Investment Group Ltd | 2,030,119 |
| Orion Telecommunications Ltd | 600,000 |
| Pacific Strategic Investments Ltd | 771,352 |
| Photon Group Limited | 1,083,600 |
| Protrome System Conv. Note | 670,000 |
| Reckon Ltd | 3,732,360 |
| Reef Casino Trust | 701,876 |
| Roberts Ltd | 2,530,229 |
| Select Harvests Ltd | 1,371,145 |
| Strathfield Group Ltd | 597,197 |
| Sydney Gas Ltd (12% Conv. Note) | 1,398,053 |
| Tassal Group Ltd | 905,152 |
| Timbercorp Conv Pref | 577,789 |
| Tower Ltd | 979,878 |

DIVIDENDS

The final fully franked dividend of 5.0 cents a share will go ex-dividend on 15 November 2004. The payment date will be the 29 November 2004.

Option holders that exercise by 5pm Tuesday 16 November 2004 will be entitled to receive the final dividend.

| | |
|--|---------|
| NTA before tax | 156.0c* |
| NTA after tax and before tax on unrealised gains | 153.6c* |
| NTA after tax | 145.4c* |

* The above figures are after the payment of 4.7 cents in tax for the 2004 financial year, and before the payment of a 5.0 cent fully franked final dividend.

PERFORMANCE TABLE

| | | | | | | |
|-----------------------|---------------|----------------|------------------------|---------------|---------------|----------------|
| | 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% | -3.0% |
| 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 | Jan 03 |
| 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% |
| | | | | | | |
| | Feb 03 | Mar 03 | Apr 03 | May 03 | Jun 03 | Jul 03 |
| 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% |
| | | | | | | |
| | Aug 03 | Sept 03 | Oct 03 | Nov 03 | Dec 03 | Jan 04 |
| 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% |
| | | | | | | |
| | Feb 04 | Mar 04 | Apr 04 | May 04 | Jun 04 | Jul 04 |
| 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% |
| | | | | | | |
| | Aug 04 | Sep 04 | Since Inception | | | |
| Gross Portfolio * | +1.2% | +2.5% | +239.7% | | | |
| All Ordinaries Accum. | +1.1% | +3.8% | +53.0% | | | |

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

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