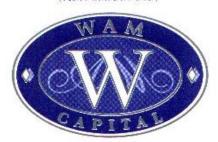
WAM CAPITAL LIMITED

(ACN 086 587 395)



WAM CAPITAL JULY 2007 INVESTMENT UPDATE & NTA

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.

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 580.9% compared to a 185.65% increase in the All Ordinaries Accumulation Index.

In July WAM's gross portfolio (before all fees, costs and taxes) increased by 0.46%, while the All Ordinaries Accumulation Index fell by 1.94%.

NTA before tax	202.06c*
NTA after tax and before tax on unrealised gains	200.67c
NTA after tax	188.09c

The above figures are before the payment of a final dividend of 8.0 cents a share fully franked, payable on the 26 October 2007.

* This is after the provision of \$2,654,720 (3.05 cents per share) in tax to be paid for the 2006/07 year.

MARKET OUTLOOK

The Australian sharemarket fell slightly in July following a slight decline in June. This was the first consecutive monthly fall since April 2005. The current decline accelerated dramatically in the last week in July as concerns about the US debt market spilled over into equities.

The US debt market, particularly the lowly rated and unrated segment, has suffered a severe correction in recent weeks. In essence, the lenders of the debt have decided to reprice this lower quality debt back to levels it has historically traded at. This has resulted in many highly geared individuals and funds running into trouble.

For equities, it has also resulted in a reality check with investors deciding that the prices being paid for stocks are high and need to be adjusted down. This can also be seen as a move to adjust for risk.

We view these changes as positive, however, we remain cautious in the short term. We hope this current situation may result in good companies, with solid growth profiles, becoming acceptably priced.

DIVIDEND

The final dividend declared for the 2007 year is 8.0 cents a share fully franked, payable on 26 October 2007.

The dividend re-investment plan will be operating at no discount. To participate in the dividend re-investment plan, please send your election to our share registrar no later than the 15 October 2007.

To be entitled to receive this dividend, current option holders need to exercise all or any part of their options into ordinary shares by close of business 4 October 2007.

OPTIONS ISSUE

On 24th October 2006, the Directors of WAM Capital Limited announced a 1 for 1 bonus issue of options to its shareholders. The options were allotted to shareholders on 1st December 2006 and have been issued at no cost to shareholders. The options have an exercise price of \$1.80 per option and can be exercised any time up until the expiry date of 17 December 2007.

As at the 9th August, 18,088,915 options have been exercised for a total consideration of \$32,560,047 with a remaining balance of outstanding options being 50,121,856.

PERFORMANCE

Set out below is the performance of WAM Capital Limited since listing to 30 June 2007:

		All Ords. Accumulation	
	Gross Portfolio*	Index	Outperformance
1999/2000	+33.3%	+11.3%	+22.0%
2000/2001	+30.2%	+8.9%	+21.3%
2001/2002	+32.7%	-4.5%	+37.2%
2002/2003	+12.3%	-1.1%	+13.4%
2003/2004	+27.3%	+22.4%	+4.9%
2004/2005	+13.9%	+24.8%	-10.9%
2005/2006	+27.4%	+24.2%	+3.2%
2006/2007	+44.1%	+30.3%	+13.8%

Annualised performance	Gross Portfolio*	All Ords. Accumulation Index	Outperformance
1 year	+44.1%	+30.3%	+13.8%
3 years	+27.9%	+26.1%	+1.7%
5 years	+24.5%	+20.6%	+4.0%
7 years	+26.2%	+14.5%	+11.7%
Since inception	+27.3%	+14.5%	+12.9%

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

PORTFOLIO STRUCTURE & STRATEGY

As at 31 July 2007, listed securities made up approximately 76.9% of the portfolio, while fixed interest and cash made up the remaining 23.1%. We continue to focus on companies with strong earnings per share growth, trading on attractive earnings multiples, are well positioned in growth industries and have proven management. We continue to research heavily to find companies that meet this profile.

PORTFOLIO STRUCTURE & STRATEGY (CONTINUED)

At 31 July 2007 the major securities held in the portfolio were:

COMPANY	MARKET VALUE \$
Bank of Queensland Reset Prefs (BOQPB)	1,690,521
Becton Property Group (BEC)	2,069,386
Clime Investment Ltd (CIW)	3,446,257
Coffey International Ltd (COF)	3,203,939
Credit Corp Group Ltd (CCP)	6,878,324
CSL Ltd (CSL)	1,667,812
David Jones Ltd (DJS)	2,318,687
Henderson Group Plc (HGI)	4,689,960
HFA Holdings Ltd (HFA)	2,884,302
Industrial Minerals Ltd (IDM)	2,041,000
ITX Group Ltd (ITX)	1,968,319
IWL Ltd (IWL)	3,201,307
Jabiru Metals Ltd (JML)	1,798,230
Ludowici Ltd (LDW)	1,724,783
Macmahon Holdings Ltd (MAH)	1,987,200
Mariner Bridge Investments Ltd (MBR)	2,392,942
Mariner Financial Ltd (MFI)	1,558,050
McMillan Shakespeare Ltd (MMS)	4,155,424
Melbourne IT Ltd (MLB)	3,817,203
Mitchell Communications Group Ltd (MCU)	2,135,334
Nomad Building Solutions Ltd (NOD)	2,784,320
Photon Group Ltd (PGA)	4,324,749
Rattoon Holdings Ltd (RTN)	3,859,906
Reckon Ltd (RKN)	5,144,866
Reverse Corp Ltd (REF)	4,161,018
RR Australia Ltd (RRA)	1,831,795
Service Stream Ltd (SSM)	3,020,697
Seven Network Limited (SEV)	4,435,850
Southern Cross Broadcasting Ltd (SCB)	3,787,065
United Group Ltd (UGL)	2,067,762
Watpac Ltd (WTP)	2,488,426
Wotif.com Holdings Ltd (WTF)	2,308,059