

WAM CAPITAL LIMITED

(ACN 086 587 395)



WAM CAPITAL JUNE 2007 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 577.7% compared to a 191.3% increase in the All Ordinaries Accumulation Index.

- In June WAM's gross portfolio (before all fees, costs and taxes) increased by 3.34%, while the All Ordinaries Accumulation Index fell by 0.07%.
- The gross portfolio has increased 44.1% for the 12 months to 30 June 2007, while the All Ordinaries Accumulation Index rose by 30.3%.
- The NTA before tax was 206.93* cents a share, as at 30 June 2007.
- The NTA after tax was 188.03* cents a share, as at 30 June 2007.

* The above figures are after the payment of an interim dividend of 8.0 cents a share fully franked, paid on the 27 April 2007. The above figures are also undiluted for unexercised options but after the exercise of 91,351 options at \$1.80 each during the month.

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 denied all the sceptics and bears to post a stunning 30.3% gain on the Accumulation index for the year to 30 June, 2007. This took the gain on the All Ordinaries Accumulation index since the current bull market started in March 2003 to 171.5%.

Interestingly, the increase in share prices has accelerated during the past 12 months. For the first time, however, much of the increase in the last year has been because investors are paying more for earnings. This is especially so among industrial stocks. In other words investors are prepared to pay more and take on more risk. As a result we have become increasingly cautious.

In WAM Capital Ltd we have deliberately raised our cash position to around 25% and moved our trading positions into larger and more liquid stocks.

DIVIDEND

The interim dividend of 8.0 cents a share fully franked was paid on the 27 April 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 10th July, 17,839,970 options have been exercised for a total consideration of \$32,111,949 with a remaining balance of outstanding options being 50,370,801.

PORTFOLIO STRUCTURE & STRATEGY

As at 30 June 2007, listed securities made up approximately 73.8% of the portfolio, while fixed interest and cash made up the remaining 26.2%. 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.

At 30 June 2007 the major securities held in the portfolio were:

| COMPANY | MARKET VALUE \$ |
|--|----------------------------|
| Bank of Queensland Reset Prefs (BOQPB) | 1,677,747 |
| Becton Property Group (BEC) | 2,090,735 |
| Clime Investment Ltd (CIW) | 3,417,775 |
| Coffey International Ltd (COF) | 3,234,094 |
| Credit Corp Group Ltd (CCP) | 7,613,319 |
| Harvey Norman Holdings Ltd (HVN) | 1,721,895 |
| Henderson Group Plc (HGI) | 4,518,780 |
| HFA Holdings Ltd (HFA) | 2,636,190 |
| Industrial Minerals Ltd (IDM) | 2,057,875 |
| IWL Ltd (IWL) | 3,375,528 |
| Jabiru Metals Ltd (JML) | 1,843,186 |
| Ludowici Ltd (LDW) | 1,824,290 |
| Macmahon Holdings Ltd (MAH) | 1,857,600 |
| Macquarie Prologis Trust (MPR) | 2,285,612 |
| Mariner Bridge Investments Ltd (MBR) | 2,959,691 |
| Mariner Financial Ltd (MFI) | 1,894,200 |
| McMillan Shakespeare Ltd (MMS) | 4,243,327 |
| Melbourne IT Ltd (MLB) | 4,567,405 |
| Nomad Building Solutions Ltd (NOD) | 2,431,760 |
| Photon Group Ltd (PGA) | 4,091,878 |
| Rattoon Holdings Ltd (RTN) | 3,948,614 |
| Reckon Ltd (RKN) | 5,185,352 |
| Reverse Corp Ltd (REF) | 4,479,103 |
| RR Australia Ltd (RRA) | 1,696,015 |
| Service Stream Ltd (SSM) | 2,730,245 |
| Seven Network Limited (SEV) | 4,562,250 |
| Tassal Group Ltd (TGR) | 2,099,067 |
| Tox Free Solutions Ltd (TOX) | 1,555,200 |
| Watpac Ltd (WTP) | 2,604,467 |
| Wotif.com Holdings Ltd (WTF) | 2,206,002 |
| NTA before tax | 206.93c* |
| NTA after tax and before tax on unrealised gains | 202.06c* |
| NTA after tax | 188.03c* |

* The above figures are after the payment of an interim dividend of 8.0 cents a share fully franked, paid on the 27 April 2007. The above figures are also undiluted for unexercised options but after the exercise of 91,351 options at \$1.80 each during the month.

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 | Oct 04 | Nov 04 | Dec 04 | Jan 05 |
| 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% |
| | | | | | | |
| | Feb 05 | Mar 05 | Apr 05 | May 05 | Jun 05 | Jul 05 |
| 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% |
| | | | | | | |
| | Aug 05 | Sep 05 | Oct 05 | Nov 05 | Dec 05 | Jan 06 |
| Gross Portfolio * | +4.0% | +2.7% | +0.1% | +3.1% | +0.8% | +1.6% |
| All Ordinaries Accum. | +2.2% | +4.8% | -3.8% | +4.4% | +3.0% | +3.7% |
| | | | | | | |
| | Feb 06 | Mar 06 | Apr 06 | May 06 | Jun 06 | Jul 06 |
| Gross Portfolio * | +4.9% | +5.3% | +2.1% | -2.3% | +0.5% | +0.4% |
| All Ordinaries Accum. | +0.7% | +4.8% | +2.4% | -4.3% | +1.9% | -1.5% |
| | | | | | | |
| | Aug 06 | Sep 06 | Oct 06 | Nov 06 | Dec 06 | Jan 07 |
| Gross Portfolio * | +3.4% | +2.4% | +4.7% | +3.6% | +6.1% | +3.8% |
| All Ordinaries Accum. | +3.2% | +1.3% | +4.8% | +2.5% | +3.6% | +2.0% |
| | | | | | | |
| | Feb 07 | Mar 07 | Apr 07 | May 07 | Jun 07 | Since Inception |
| Gross Portfolio * | +0.4% | +1.9% | +2.6% | +4.7% | +3.3% | +577.7% |
| All Ordinaries Accum. | +1.6% | +3.3% | +3.0% | +3.2% | -0.1% | +191.3% |

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