

WAM CAPITAL LIMITED

A.B.N. 34 086 587 395

**ANNUAL REPORT
FOR THE YEAR ENDED
30 JUNE 2007**

COMPANY PARTICULARS

WAM CAPITAL LIMITED

A.B.N. 34 086 587 395

WAM Capital Limited is a Listed Investment Company. It is an investor in equities and similar securities on the stock market primarily in Australia.

DIRECTORS:

G. Wilson (Chairman)
M. Kidman
J. Chirnside
P. Jensen

SECRETARY:

N. Cuffe

AUDITORS:

Moore Stephens Sydney

COUNTRY OF INCORPORATION:

Australia

REGISTERED OFFICE:

Level 11, 139 Macquarie Street
Sydney NSW 2000

CONTACT DETAILS:

Mail Address: Lv 11, 139 Macquarie St
Sydney NSW 2000
Telephone: (02) 9247 6755
Fax: (02) 9247 6855
Email: info@wami.com.au
Website: www.wilsonassetmanagement.com.au

SHARE REGISTRAR:

Registries Limited
Level 2, 28 Margaret St
Sydney NSW 2000
Telephone: (02) 9290 9600
Fax: (02) 9279 0664

For all enquiries relating to shareholdings, dividends (including participation in the Dividend Reinvestment Plan) and related matters, please contact the share registrar.

STOCK EXCHANGE:

Australian Securities Exchange (ASX)
The home exchange is Sydney.
ASX code: WAM Ordinary shares
WAMO Options \$1.80 expiry 17/12/07

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WAM CAPITAL LIMITED

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CHAIRMAN'S LETTER

Dear fellow shareholders,

The year was a pleasing one for WAM Capital Limited (WAM) having achieved record profits. The absolute performance of the portfolio was strong with an increase of 44.1% while the All Ordinaries Accumulation Index was up by 30.3%. This was a strong result given average cash levels were approximately 16.8% throughout the year and the fund had low exposure to the booming resources market. WAM declared dividends for the full year of 16.0 cents a share fully franked, a 14.3% increase on the previous year.

WAM is committed to delivering returns to you its shareholders, of between 15-20% per annum over the medium term. Since inception in 1999, WAM's gross portfolio has delivered shareholders an annualised return of 27.3% per annum. WAM has achieved this by investing in companies that have strong earnings growth, trade on a low price earnings multiple, have an experienced management team and hold a strategic position in their industry.

We are constantly challenged in finding companies with these characteristics. This year we undertook over 700 meetings researching companies for these attributes. Often we uncover investment opportunities that may not meet all the requirements of our research model. If however, they provide a favourable risk/reward payoff, we will seize the opportunity. These investments form part of our market driven or trading portfolio. The number of companies we own shares in and our cash holding varies as these opportunities are taken and realised. If we cannot find acceptable investment opportunities, we will hold cash until the right opportunities present themselves.

Our disciplined approach is to provide the maximum return possible while taking the minimum amount of risk. Matthew Kidman, and myself, the portfolio managers responsible for making the investment decisions, spend as much time as possible meeting with the management of companies. We continue to concentrate on researching small and medium sized industrial companies, because we believe that is where we can add most value.

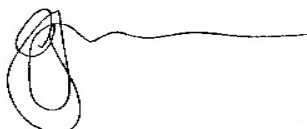
At 30 June 2007 WAM owned shares in 99 companies and held approximately 26.2% its funds in cash, fixed interest and listed debt securities. At the beginning of the year WAM owned 101 companies and during the year we sold positions in 73 companies, increased our shareholding in 10 and reduced our shareholding in 10. Shares in companies purchased and sold within the year amounted to 174. We also took new positions in 71 companies.

During the year we continued the successful and well attended shareholder briefings, with seminars held in Sydney, Melbourne, Adelaide, Canberra and Brisbane. Mathew and I enjoy the opportunity to meet with you and we are committed that the shareholder briefings remain a semi-annual event.

After three exceptional years of 20% plus p.a. returns, the Australian sharemarket defied 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 accelerated during the past 12 months to 30 June 2007. Much of the increase of industrial stocks in the last year has been because investors are paying more for earnings. In other words investors are prepared to pay more and take on more risk. As a result we have become increasingly cautious and have increased our cash position to around 25%. We have also moved our trading positions into larger and more liquid stocks. In the first two weeks of August, the stock market corrected by 8.25%. In these periods of volatility, we will continue to concentrate on preserving capital and researching in our preferred area of mid to small cap industrial stocks where opportunities regularly emerge even in difficult markets.

Thank you for your continuing support.



Geoff Wilson
Chairman

WAM CAPITAL LIMITED

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2007 HIGHLIGHTS

RECORD PROFIT, RECORD DIVIDEND

- Profit before tax increased 91.95% to a record \$47.2m
- Profit after tax increased 88.49% to a record \$34.0m
- Gross portfolio increased 44.1%
- Total dividend declared in 2006/07 increased to 16.0c a share fully franked
- Pre-tax net tangible assets increased from 154.6*c a share to 206.8c a share
- After-tax net tangible assets increased from 142.3*c a share to 187.9c a share

*adjusted for dividends paid

WAM CAPITAL LIMITED

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COMPANY PROFILE

WAM Capital Limited (the Company) is an investment company providing investors with access to a diversified investment portfolio and the management expertise of Wilson Asset Management (International) Pty Limited (the Manager).

INVESTMENT OBJECTIVES

The two investment objectives of the Company are:

- a) to achieve a high real rate of return, comprising both income and capital growth, within risk parameters acceptable to the Directors; and
- b) to preserve the capital of the Company.

INVESTMENT PROCESS

The Manager has two investment approaches:

- a) Research Driven - Buying shares in companies after extensive research. This typically involves detailed discussion with management of the company and many of the company's competitors in their industry.

The key criteria we look for when appraising potential research based investment is:

- Management strength
- Earnings growth potential
- Low earnings multiple
- Advantageous industry position
- Generation of free cash flow
- Return on equity

This investment approach is to seek a combination of value and growth or expressed another way, growth at a reasonable price. The ideal investment is an attractively priced company relative to its appraised value, one that has strong growth characteristics, generates surplus free cash flow, is well managed and has a sound position in its industry.

All companies researched are ranked on each criteria and an aggregate score for the company is obtained. There is a set benchmark score that companies have to obtain to be considered for investment. Upon meeting the benchmark, the Manager will seek to identify a catalyst or an event that will alter the markets perception of the company. This will be an event which will likely lead to a re-rating of the company's share price by the market. Upon identification of the catalyst/event the company is eligible for investment.

- b) Market Driven - Buying securities in entities through initial public offerings, placements or the purchase of a block of stock below what the Manager believes is the entity's fair value. This requires close monitoring of market activity. Companies in this portfolio are actively traded.

COMPETITIVE ADVANTAGE OF THE COMPANY

What distinguishes the Manager from others is:

- a) a total focus on managing money;
- b) its unique research and market driven investment processes; and
- c) a high level of contact with company management.

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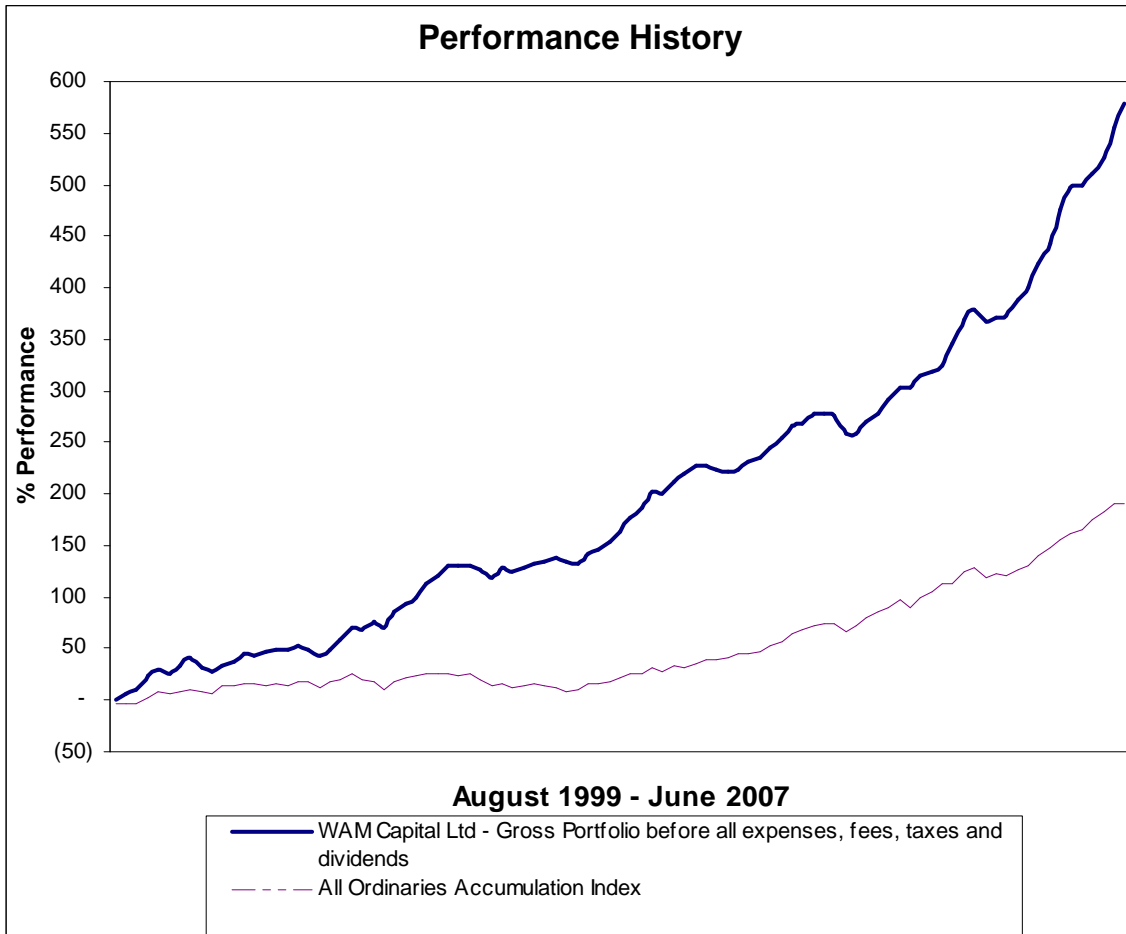
INVESTMENTS AT MARKET VALUE AS AT 30 JUNE 2007

	<u>Quantity</u>	<u>Market Value\$</u>		<u>Quantity</u>	<u>Market Value \$</u>
Corporate Debt			Media		
Antares Energy Ltd Con Notes (AZZG)	700,000	1,414,000	Broadcast Services Aust Ltd (BSA)	1,545,239	1,174,382
Bank of Qld Reset Prefs (BOQPB)	16,590	1,677,747	Infochoice Ltd (ICH)	1,063,885	159,583
		3,091,747	Macquarie Radio Limited (MRN)	560,000	705,600
Listed Property			Mitchell Comm Group Ltd (MCU)	1,088,640	1,333,584
MFS Living & Leisure Group (MPY)	662,708	642,827	Photon Group Ltd (PGA)	665,346	4,091,878
Macquarie Prologis Trust (MPR)	1,598,330	2,285,612	Seven Network Limited (SEV)	395,000	4,562,250
		2,928,439			12,027,276
Energy			Retailing		
Antares Energy Ltd (AZZ)	1,779,200	1,387,776	Adtrans Group Ltd (ADG)	139,518	592,952
Arc Energy Ltd (ARQ)	280,160	431,446	Cheviot Bridge Ltd (CVB)	2,049,692	297,205
Drillsearch Energy Ltd (DLS)	4,611,616	876,207	Harvey Norman Holdings Ltd (HVN)	325,500	1,721,895
Eastern Star Gas Limited (ESG)	1,095,000	722,700	RR Australia Ltd (RRA)	2,081,000	1,696,015
Incremental Petroleum Ltd (IPM)	577,274	808,184	Wotif.com Holdings Ltd (WTF)	392,527	2,206,002
Tomahawk Energy Ltd Opt (THKO)	350,000	52,500			6,514,069
		4,278,813	Food & Staples Retailing		
Materials			Premier Investments Ltd (PMV)	169,656	1,481,097
Cudeco Limited SPP (CDU)	1,572	5,321			1,481,097
Every Day Mine Services Ltd (EDS)	720,000	468,000	Food Beverage & Tobacco		
Finders Capital Ltd Options	485,137	145,541	Tassal Group Ltd (TGR)	632,249	2,099,067
Finders Resources Ltd (FND)	485,137	388,110			2,099,067
Gosford Quarry Ltd (GQH)	1,479,051	1,175,846	Health Care Equipment & Services		
Industrial Minerals Ltd (IDM)	4,075,000	2,057,875	Ellex Mecal Lasers Ltd (ELX)	605,223	511,413
Industrial Minerals Ltd Options	437,500	74,375			511,413
Jabiru Metals Ltd (JML)	1,284,450	1,843,186	Pharmaceuticals & Biotechnology		
Kimberley Diamond Company NL (KIM)	1,080,000	783,000	Apollo Life Sciences Ltd Options	120,000	-
Lynas Corporation Ltd (LYC)	684,000	892,620	Life Therapeutics Ltd (LFE)	677,347	487,690
Mantle Mining Ltd	350,000	78,750	Medical Development Intern Ltd (MVP)	304,566	176,648
Mawson West Ltd (MWE)	1,363,999	395,560	Patrys Ltd (PAB)	162,000	64,800
Midwest Corporation Ltd (MIS)	305,994	982,241	Qrxpharma Ltd (QRX)	463,628	783,531
Mundo Minerals Ltd	344,167	199,617			1,512,669
Red Mountain Limited	2,030,000	203,000	Banks		
Saracen Mineral Holdings Ltd (SAR)	2,824,228	1,172,055	Homeloans Ltd (HOM)	1,004,777	1,004,777
Sylvania Resources Limited (SLV)	456,187	1,195,210			1,004,777
Granite Power Ltd	420,000	210,000	Diversified Financials		
		12,270,305	Aurora Sandringham Dividend Income Trust (AOD)	73,148	727,823
Capital Goods			Bentley International Ltd (BEL)	1,858,746	724,911
AJ Lucas Group Ltd (AJL)	444,224	870,679	Clime Investment Ltd (CIW)	2,848,146	3,417,775
Ludowici Ltd (LDW)	221,126	1,824,290	Emerging Leaders Investment Ltd (ELI)	533,224	602,543
Macmahon Holdings Ltd (MAH)	1,440,000	1,857,600	Everest Babcock & Brown Ltd (EBB)	47,038	176,393
Monadelphous Group Ltd (MND)	72,000	1,049,040	Henderson Group Plc (HGI)	1,218,000	4,518,780
Nomad Building Solutions Ltd (NOD)	904,000	2,431,760	HFA Accelerator Plus Ltd (HAP)	689,178	889,040
Service Stream Ltd (SSM)	1,452,258	2,730,245	HFA Holdings Ltd (HFA)	1,033,800	2,636,190
VDM Group Ltd (VMG)	318,400	939,280	Impact Capital Ltd (ICD)	1,286,675	855,639
Watpac Ltd (WTP)	429,780	2,604,467	InterFinancial Ltd	861,872	529,210
		14,307,360	IWL Ltd (IWL)	544,440	3,375,528
Commercial Services & Supplies			Mariner Bridge Investments Ltd (MBR)	1,259,443	2,959,691
Chandler MacLeod Ltd (CHD)	1,251,871	1,389,577	Mariner Financial Ltd (MFI)	2,460,000	1,894,200
Coffey International Ltd (COF)	753,868	3,234,094	NSX Ltd (NSX)	658,500	289,740
Credit Corp Group Ltd (CCP)	618,969	7,613,319	Oncard International Ltd (ONC)	1,894,736	720,000
Envirozel Ltd (EVZ)	1,703,730	843,346	Over Fifty Group Ltd (OFG)	241,184	535,428
McMillan Shakespeare Ltd (MMS)	799,120	4,243,327	Scarborough Equities Ltd (SCB)	1,140,538	1,208,970
Rubicor Group Ltd (RUB)	540,000	513,000	Tidewater Investments Ltd (TDI)	925,322	703,245
Tox Free Solutions Ltd (TOX)	648,000	1,555,200	Tidewater Investments Ltd Opts (TDIO)	135,346	135
		19,391,863			26,765,240
Consumer Durables & Apparel			Real Estate		
Globe International Ltd (GLB)	257,007	411,211	Becton Property Group (BEC)	529,300	2,090,735
Homeleisure Ltd (HLD)	1,625,534	260,085	Charter Hall Group (CHC)	36,000	102,240
		671,297	Wentworth Mutual Ltd (WWM)	2,173,390	445,545
Consumer Services					2,638,520
Blue Ensign Tech Ltd (BLE)	1,750,000	525,000	Software & Services		
Reef Casino Trust (RCT)	320,424	1,265,675	Customers Ltd (CUS)	1,622,234	340,669
		1,790,675	ITX Group Limited (ITX)	1,682,324	1,345,859
Telecommunication Services			Melbourne IT Ltd (MLB)	1,103,238	4,567,405
Reverse Corp Ltd (REF)	759,170	4,479,103	NewSat Ltd (NWT)	146,939,773	734,699
SP Telemedia Ltd (SOT)	1,428,773	1,243,033	Rattoon Holdings Ltd (RTN)	9,630,767	3,948,614
		5,722,136	Reckon Ltd (RKN)	4,082,954	5,185,352
Transportation					16,122,599
Air New Zealand Ltd (AIZ)	525,000	1,254,750	INVESTMENT PORTFOLIO VALUE		
		1,254,750			136,384,110

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The gross portfolio of WAM Capital Limited has added significant value since inception



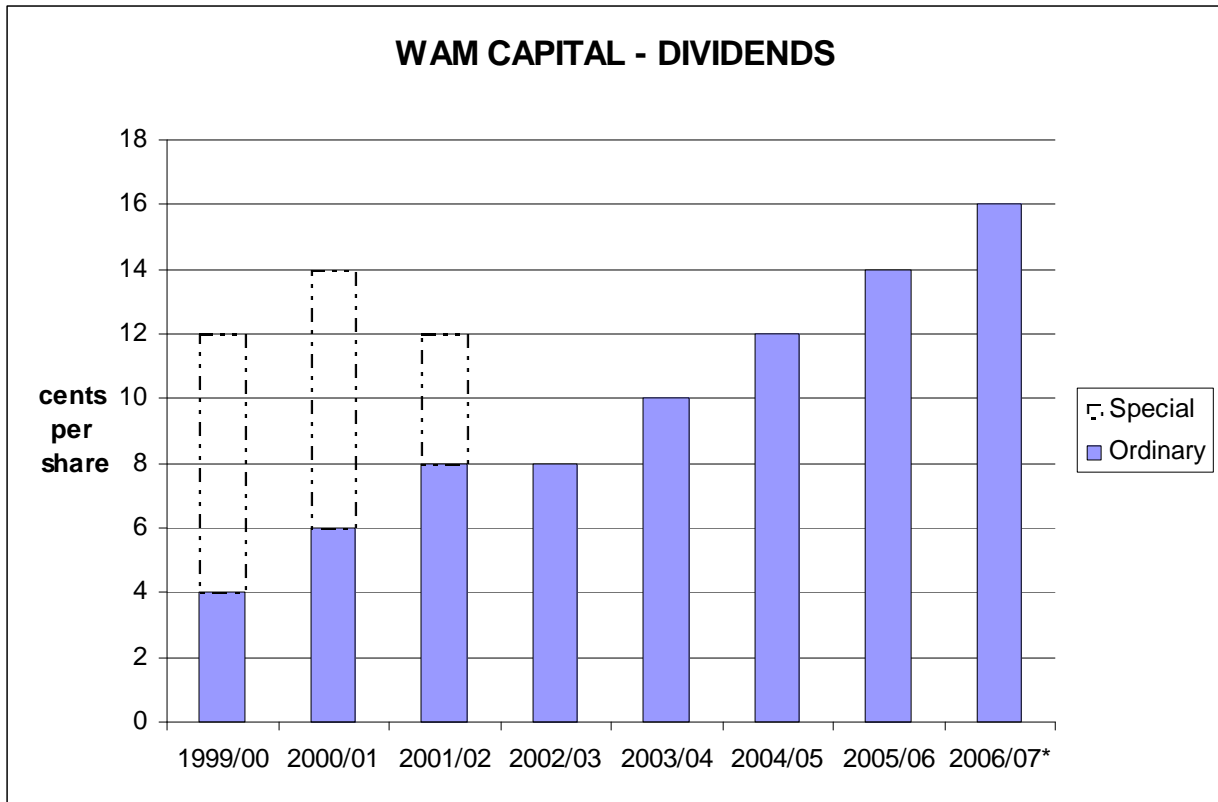
	Gross Portfolio	All Ords. Accumulation Index	Outperformance
1999/2000	+33.3%	+11.3%	+22.0%
2000/2001	+30.2%	+8.9%	+21.3%
2001/2002	+32.7%	-4.5%	+37.2%
2002/2003	+12.3%	-1.1%	+13.4%
2003/2004	+27.3%	+22.4%	+4.9%
2004/2005	+13.9%	+24.8%	-10.9%
2005/2006	+27.4%	+24.2%	+3.2%
2006/2007	+44.1%	+30.3%	+13.8%

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%

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As the graph below shows, the Boards' policy is to pay a growing stream of fully franked dividends to shareholders on a six-monthly basis.



Dividend Reinvestment Plan Price History

Date Paid	Amount per share	Dividend Type	DRP Price
27-Apr-07	8.0c	Interim	\$ 1.8645
27-Oct-06	7.0c	Final	\$ 1.7725
28-Apr-06	7.0c	Interim	\$ 1.5886
17-Oct-05	6.0c	Final	\$ 1.4270
29-Apr-05	6.0c	Interim	\$ 1.4314
29-Nov-04	5.0c	Final	\$ 1.4919
27-Apr-04	5.0c	Interim	\$ 1.5209
6-Nov-03	4.0c	Final	\$ 1.5051
18-Apr-03	4.0c	Interim	\$ 1.3161
7-Nov-02	4.0c	Special	\$ 1.3775
7-Nov-02	4.0c	Final	\$ 1.3775
19-Apr-02	4.0c	Interim	\$ 1.4506
2-Nov-01	8.0c	Special	\$ 1.2256
2-Nov-01	3.0c	Final	\$ 1.2256
2-Apr-01	3.0c	Interim	\$ 0.9169
31-Oct-00	8.0c	Special	\$ 0.9167
31-Oct-00	2.0c	Final	\$ 0.9167
31-Mar-00	2.0c	Interim	\$ 1.0126

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CORPORATE GOVERNANCE STATEMENT

All the best practice recommendations of the Australian Securities Exchange Corporate Governance Council have been applied throughout the financial year, unless otherwise stated. These practices are dealt with under the following headings: Board of Directors and its Committees, Composition of the Board, Remuneration of Directors and Executives, Ethical Standards, The Role of Shareholders, Board's Policy on Dealing in Shares, Independent Professional Advice and Access to Company Information, and Conflict of Interest.

BOARD OF DIRECTORS AND ITS COMMITTEES

Subject at all times to any written guidelines issued by the Board of Directors of WAM Capital Limited, the day-to-day management and investment of funds is carried out by Wilson Asset Management (International) Pty Limited pursuant to a management agreement.

The Board is responsible for the overall Corporate Governance of the Company including the strategic direction, establishing goals for the appointed Manager and monitoring the achievement of these goals. The Board reviews the Managers operational and financial performance of the Company.

The Company has formed an Audit Committee consisting of:

James Chirnside	Chairman
Matthew Kidman	Non-Executive Director
Paul Jensen	Non-Executive Director

The Committee's responsibilities are to:

- (a) oversee the existence and maintenance of internal controls and accounting systems;
- (b) oversee the financial reporting process;
- (c) review the annual and half-year financial reports and recommend them for approval by the Board of Directors;
- (d) nominate external auditors; and
- (e) review the existing external audit arrangements.

COMPOSITION OF THE BOARD

The skills, experience and expertise relevant to the position of each director who is in office at the date of the annual report and their term in office are detailed in the directors' report.

The names of the independent directors of the Company are:

James Chirnside
Paul Jensen

The Board comprises the Chairman and three other non-executive Directors who consider the composition of the Board and appointment of new Directors. The Board identifies suitable candidates to fill vacancies as they arise. The performance of each Director is reviewed by the Chairman periodically. At every annual general meeting one third of the Directors must retire from office and be eligible for re-election. Shareholder approval is required on the composition of the Board.

The Board is 50% independent. Whilst the Company agrees with the benefits of a majority of independent Directors, it believes that it can better achieve the results of the Company with the current Boards' level of expertise and without burdening shareholders with the additional costs associated with adding further independent Directors.

The Chairman is not independent. The Company believes that an independent Chairman does not necessarily improve the function of the Board. The Company believes that when the Chairman is a significant driver behind the business and is a sizeable shareholder, it adds value to the Company.

REMUNERATION OF DIRECTORS AND EXECUTIVES

The maximum total remuneration of the Directors of the Company has been set at \$80,000 per annum to be divided in such proportions as they agree. The scope of the Company's operations, and the frequency of Board meetings are principal determinants of the fee level. Further detail is provided in the Directors' Report.

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CORPORATE GOVERNANCE STATEMENT

No separate Remuneration Committee has been established by the Company as the Company does not believe that this adds any value to its Corporate Governance.

The Chairman and a Director of WAM Capital Limited are employees, and the Chairman is the sole Director, of Wilson Asset Management (International) Pty Limited and they are further remunerated by that Company. Further detail is provided in the Directors' Report.

ETHICAL STANDARDS

The Board aims to ensure that all Directors and its Manager act with the utmost integrity and objectivity and endeavour to enhance the reputation of the Company.

THE ROLE OF SHAREHOLDERS

The Board of Directors aim to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs. Information is communicated to shareholders through the Annual Financial Report, monthly asset backing data and Half-Year Financial Report lodged with the Australian Stock Exchange.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy and goals.

BOARD'S POLICY ON DEALING IN SHARES

Subject to them not being in possession of undisclosed price sensitive information, Directors may deal in shares of the Company when appropriate. As WAM Capital Limited is an investment Company announcing its results monthly, the Board believes the shareholders are generally fully informed.

INDEPENDENT PROFESSIONAL ADVICE AND ACCESS TO COMPANY INFORMATION

Each Director has the right to access all relevant information and subject to prior consultation with the Chairman, may seek independent professional advice at the entity's expense. A copy of advice received by the Director is made available to all other members of the Board.

CONFLICT OF INTEREST

In accordance with the *Corporations Act 2001*, the Directors must keep the Board advised, on an ongoing basis, of any interests that could potentially conflict with those of the Company. Where the Board believes that a significant conflict exists the Director concerned does not receive the relevant Board papers and is not present at the meeting whilst the item is considered.

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DIRECTORS' REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2007

The Directors present their report together with the financial report of WAM Capital Limited (the Company) for the financial year ended 30 June 2007.

PRINCIPAL ACTIVITY

The principal activity of the Company is making investments in listed and unlisted companies. No change in this activity took place during the year or is likely in the future.

OPERATING RESULTS

Investment operations over the year resulted in an operating profit before tax of \$47,181,601 (2006: \$24,580,143) and an operating profit after tax of \$34,005,754 (2006: \$18,041,517).

REVIEW OF OPERATIONS

Investments are valued continuously to market value. For the year ended 30 June 2007, investments were valued upwards by \$20,467,178 (2006: \$8,373,139), after an adjustment for deferred tax on unrealised gains, a net increase of \$14,325,780 (2006: \$5,907,813) was transferred to an Asset Revaluation Reserve.

Asset backing for each ordinary share as at 30 June 2007 (calculated on market value less realisation costs and all applicable taxes and before provision for dividend) amounted to \$1.88 per share (2006: \$1.57). Asset backing after tax on realised gains but before tax on unrealised gains was \$2.02 per share (2006: \$1.67). The equivalent asset backing before tax was \$2.07 per share (2006: \$1.70).

Further information on the operating and financial review of the Company is contained in the Chairman's Letter on page 1 of the Annual Report.

FINANCIAL POSITION

The net asset value of the Company for the current financial year was \$163,884,222 (2006: \$106,542,783).

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company during the year ended 30 June 2007.

DIVIDENDS PAID OR RECOMMENDED

Dividends paid or declared are as follows: \$

Fully franked 2006 final dividend of 7.0c per share was paid on 27 October 2006	4,726,058
Fully franked 2007 interim dividend of 8.0c per share was paid on 27 April 2007	6,871,921

Since year end, the Directors have declared a fully franked final dividend of 8.0 cents to be paid on 26 October 2007.

OPTIONS

The Company issued a prospectus dated 17 November 2006 for a 1 for 1 bonus issue of 68,210,771 options to acquire fully paid ordinary shares exercisable at \$1.80 per option. The options began trading on the Australian Securities Exchange on 23 November 2006 and expire on 17 December 2007. From the date of issue to 30 June 2007 the Company issued 17,839,970 ordinary shares as a result of the exercise of options for a total consideration of \$32,111,949. The market values on the dates of exercise ranged from \$1.77 to \$2.03. At 30 June 2007, 50,370,801 options remain unexercised.

DIRECTORS

The following persons were Directors of the Company during the whole of the financial year and up to the date of this report:

G.J. Wilson
M.J. Kidman
P.D.K. Jensen
J.M. Chirside

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DIRECTORS' REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2007

INFORMATION ON DIRECTORS

Geoffrey Wilson (Age 49) *Chairman*

Experience and expertise

Geoffrey Wilson has had 27 years experience in the Australian and international securities industry. He holds a Bachelor of Science Degree and a Graduate Management Qualification. He is also a Fellow of the Institute of Company Directors and a Senior Fellow of the Financial Services Institute of Australasia.

Geoffrey Wilson has been Chairman of the Company since March 1999.

Other current directorships

Geoffrey Wilson is the Chairman of Wilson Investment Fund Limited (appointed June 2003), and the Australian Stockbrokers Foundation Limited. He is a Director of Wilson Leaders Limited (appointed October 2003), Clime Capital Limited (appointed November 2003), and Cadence Capital Limited (appointed February 2005). He is also a director of the investment management companies, Wilson Asset Management (International) Pty Ltd, Boutique Asset Management Pty Ltd, MAM Pty Ltd and a Director of the Sporting Chance Cancer Foundation.

Former directorships in the last 3 years

Geoff Wilson is a former Director of Mariner Bridge Investments Limited (formerly known as Mariner Wealth Management Limited) from September 1999 to October 2006.

Special responsibilities

Chairman of the Board

Interests in shares of the Company

Details of Geoffrey Wilson's interests in shares of the Company are included later in this report.

Interests in contracts

Details of Geoffrey Wilson's interests in contracts of the Company are included later in this report.

Matthew Kidman (Age 38) *Non-Executive Director*

Experience and expertise

Matthew Kidman worked as a finance reporter for the Sydney Morning Herald between 1994 and 1998. In 1997 he was appointed Investment Editor of that newspaper and was charged with the responsibility of company coverage for the newspaper. He has degrees in Economics and Law and a Graduate Diploma in Applied Finance. He is a portfolio manager of Wilson Asset Management (International) Pty Ltd and has been instrumental in establishing the Company's valuation methodology of rating companies.

Matthew Kidman has been a Director of the Company since March 1999.

Other current directorships

Matthew Kidman is a Director of Wilson Investment Fund Limited (appointed May 2002) and Wilson Leaders Limited (appointed October 2003). He is also a Director of the investment management companies MAM Pty Ltd and Boutique Asset Management Pty Ltd.

Former directorships in the last 3 years

Matthew Kidman is a former Director of Mariner Bridge Investments Limited (formerly known as Mariner Wealth Management Limited) from June 1999 to November 2005.

Special responsibilities

Member of the Audit Committee

Interests in shares of the Company

Details of Matthew Kidman's interests in shares of the Company are included later in this report.

WAM CAPITAL LIMITED

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DIRECTORS' REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2007

James M. Chirnside (Age 46) *Non-Executive Director*

Experience and expertise

James Chirnside has been exclusively focussed in emerging markets and absolute return investment strategies for seventeen years in Sydney, Hong Kong, and London. Mr Chirnside is a shareholder and Managing Director of Asia Pacific Asset Management, a specialist emerging market and alternative investment firm based in Sydney. Mr Chirnside previously worked for Challenger Financial Services Group in Sydney. Prior to this he managed emerging market hedge funds in Hong Kong for emerging markets specialist Regent Fund Management (now Charlemagne Capital). Between 1988 and 1992 Mr Chirnside ran a proprietary trading book for County Natwest in London.

James Chirnside has been a Director of the Company since February 2003.

Other current directorships

James Chirnside is a Director of Cadence Capital Limited (appointed February 2005).

Former directorships in the last 3 years

James Chirnside has not held any other directorships of listed companies within the last three years.

Special responsibilities

Chairman of the Audit Committee

Interests in shares of the Company

Details of James Chirnside's interests in shares of the Company are included later in this report.

Paul D.K. Jensen (Age 46) *Non-Executive Director*

Experience and expertise

Paul Jensen has over 20 years of international experience in the funds management and institutional banking sectors. He is the Managing Director of absolute return fund manager, HFA Holdings Limited. He holds a Bachelor of Commerce and Administration in accounting and commercial law from Victoria University, Wellington, NZ and is a fellow of the Australian Institute of Company Directors.

Paul Jensen has been a Director of the Company since June 2004.

Other current directorships

Paul Jensen is a Director of HFA Holdings Limited (appointed February 2007), HFA Asset Management Limited (appointed February 2007), HFA Accelerator Plus Limited (appointed February 2007) and Felsen Pty Limited.

Former directorships in the last 3 years

Paul Jensen is a former Director of Fiducian Portfolio Services Limited from June 2003 to September 2004.

Special responsibilities

Member of the Audit Committee

Interests in shares of the Company

Details of Paul Jensen's interests in shares of the Company are included later in this report.

COMPANY SECRETARY

The following person held the position of company secretary as at the end of the financial year:

Natasha Cuffe – Bachelor of Commerce, Chartered Accountant. Natasha Cuffe has worked in the funds management industry for the past 9 years and has worked for Wilson Asset Management (International) Pty Ltd, the investment manager of WAM Capital Limited, as Finance Manager for the past 4 years. Natasha Cuffe was appointed company secretary on 2 February 2006.

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DIRECTORS' REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2007

REMUNERATION REPORT

This report details the nature and amount of remuneration for each director of WAM Capital Limited.

(a) Remuneration of Directors

The board from time to time determines remuneration of Non-Executive Directors within the maximum amount approved by the shareholders. Non-Executive Directors are not entitled to any other remuneration.

Fees and payments to Non-Executive Directors reflect the demands that are made on, and the responsibilities of, the Directors and are reviewed annually by the Board. The Company determines the remuneration levels and ensures they are competitively set to attract and retain appropriately qualified and experienced Directors.

Directors' base fees are presently \$80,000 per annum. Non-Executive Directors do not receive bonuses nor are they issued options on securities. Directors' fees cover all main board activities and membership of committees.

Directors' remuneration received for the year ended 30 June 2007:

Director	Position	Directors' Fees \$	Post-employment Superannuation \$	Total \$
G.J. Wilson	Chairman	4,587	5,413	10,000
M.J. Kidman	Non-Executive Director	9,174	826	10,000
J. M. Chirnside	Non-Executive Director	22,936	2,064	25,000
P.D.K Jensen	Non-Executive Director	9,174	15,826	25,000
		45,871	24,129	70,000

The following table compares the Company performance and non-executive directors' remuneration over five years.

	2007	2006	2005	2004	2003
Operating profit after tax (\$)	34,005,754	18,041,517	8,181,688	7,597,617	3,581,379
Dividends paid (cents per share)	16.0	14.0	12.0	10.0	8.0
Net tangible asset (\$ per share)	1.88	1.57	1.44	1.39	1.23
Total Directors' remuneration (\$)	70,000	60,000	60,000	60,000	60,000

(b) Director Related Entities Remuneration

All transactions with related entities were made on normal commercial terms and conditions.

Geoffrey Wilson is the sole Director and beneficial owner of Wilson Asset Management (International) Pty Limited, the entity appointed to manage the investment portfolio of WAM Capital Limited. Matthew Kidman is an employee of Wilson Asset Management (International) Pty Limited. In its capacity as manager, Wilson Asset Management (International) Pty Limited was paid a management fee of 1%p.a (plus GST) of gross assets amounting to \$1,562,695 inclusive of GST (2006: \$1,220,833). As at 30 June 2007 the balance payable to the manager was \$168,103 (2006: \$105,547).

In addition, Wilson Asset Management (International) Pty Limited is to be paid, annually in arrears, a performance fee being 20% of:

- where the level of the All Ordinaries Accumulation Index has increased over that period, the amount by which the Value of the Portfolio exceeds this increase; or
- where the All Ordinaries Accumulation Index has decreased over that period, the amount of the increase in the Value of the Portfolio.

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DIRECTORS' REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2007

No performance fee is payable in respect of any performance period where the portfolio has decreased in value over that period. For the year ended 30 June 2007, a performance fee of \$3,171,005 (inclusive of GST) was payable to Wilson Asset Management (International) Pty Limited (2006: \$229,364).

These amounts are in addition to the above Directors remuneration.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than those detailed above) by reason of a contract made by the Company or a related Company with the Director or with a firm of which he is a member or with a Company in which he has substantial financial interest.

(c) Remuneration of Executives

There are no executives that are paid by the Company. Wilson Asset Management (International) Pty Limited, the investment manager of the Company, remunerates Geoff Wilson, Matthew Kidman and Natasha Cuffe as employees and/or directors of the Company. The Manager also provides day to day management of the Company and is remunerated as outlined above.

(d) Equity Instruments Disclosures of Directors and Related Parties

As at 30 June 2007 the Company's directors and their related parties held the following interests in the Company:

Ordinary Shares held

Directors	Position	Balance at 30 June 2006	Acquisitions/ Options Exercised	Disposals	Balance at 30 June 2007
G.J. Wilson	Chairman	3,760,077	1,205,438	1,404,568	3,560,947
M.J. Kidman	Non-Executive Director	290,192	22,377	-	312,569
P.D.K Jensen	Non-Executive Director	44,734	30,712	3,211	72,235
J. M. Chirnside	Non-Executive Director	35,146	118	35,264	-
		4,130,149	1,258,645	1,443,043	3,945,751

Options held

Directors	Position	Balance at 30 June 2006	Bonus Issue/ Acquisitions	Disposals/ Options Exercised	Balance at 30 June 2007
G.J. Wilson	Chairman	-	4,910,752	4,840,899	69,853
M.J. Kidman	Non-Executive Director	-	295,708	285,194	10,514
P.D.K Jensen	Non-Executive Director	-	43,163	26,100	17,063
J. M. Chirnside	Non-Executive Director	-	3,118	3,118	-
		-	5,252,741	5,155,311	97,430

Directors and director related entities disposed of and acquired ordinary shares and options in the Company on the same terms and conditions available to other shareholders.

The Directors have not, during or since the end financial year, been granted options over unissued shares or interests in shares of the Company as part of their remuneration.

DIRECTORS' MEETINGS

Director	No. eligible to attend	Attended
G.J. Wilson	7	7
M.J. Kidman	7	7
J.M. Chirnside	7	7
P.D.K. Jensen	7	7

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DIRECTORS' REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2007

AUDIT COMMITTEE MEETINGS

The main responsibilities of the Audit Committee are set out in the Corporate Governance section on page 7 and 8 of this Annual Report.

Director	No. eligible to attend	Attended
M.J. Kidman	2	2
J.M. Chirnside	2	2
P.D.K. Jensen	2	2

AFTER BALANCE DATE EVENTS

The Directors have declared a fully franked final dividend of 8.0 cents to be paid on 26 October 2007.

No other matters or circumstances have arisen since the end of the financial year which significantly affect or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in subsequent financial years.

FUTURE DEVELOPMENTS

The Company will continue to pursue its policy of investment during the next financial year, investing its current fixed interest and cash holdings into the equity market as opportunities arise.

ENVIRONMENTAL ISSUES

The Company's operations are not regulated by any environmental regulation under a law of the Commonwealth or of a State or Territory.

INDEMNIFICATION AND INSURANCE OF OFFICERS OR AUDITORS

During the financial year the Company paid a premium in respect of a contract insuring the Directors of the Company, the Company Secretary and any related body corporate against liability incurred as such by a Director or Secretary to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

No indemnities have been given or insurance premiums paid during or since the end of the financial year, for any person who is or has been an auditor of the Company.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

NON AUDIT SERVICES

During the year Moore Stephens Sydney, the Company's auditor, did not perform any other services in addition to their statutory duties for the Company. Moore Stephens Sydney Pty Ltd, a related party of the Company's auditor, performed taxation services for the Company. Details of the amounts paid to the auditors and their related parties are disclosed in Note 5 to the financial statements.

The board has considered the non-audit services provided during the year by the auditor and their related parties and in accordance with written advice provided by resolution of the audit committee, is satisfied that the provision of those non-audit services during the year is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Audit Committee to ensure they do not impact the integrity and objectivity of the auditor; and

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DIRECTORS' REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2007

- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in Professional Statement *F1 Professional Independence*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act 2001 is set out on page 16 of this Annual Report.

Signed in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, consisting of a large, stylized initial 'G' followed by a horizontal line extending to the right.

G.J Wilson, Chairman

Dated at Sydney this 21st day of August 2007

PARTNERS:

Howard Badger CA
Andrew Blackwell CA
Chris Chandran CA
Stephen Humphrys FCA
Garry Leysbon FCA
Allan Mortel CA
Wayne Morton FCA
Brett Sato CA
Joe Shannon CA
Robert Southwell CA
Spiro Tzannes FCA
Charlie Viola (Affiliate ICAA)
Scott Whiddett CA

CONSULTANTS:

Pat Bugden FCA
Anja Dorrell CA
Bob Webster FCA

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF WAM CAPITAL LIMITED

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of WAM Capital Limited for the year ended 30 June 2007, I declare that, to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.



MOORE STEPHENS SYDNEY
Chartered Accountants



C. CHANDRAN
Partner

Dated in Sydney this 21st day of August 2007.

WAM CAPITAL LIMITED

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INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	Notes	June 2007 \$	June 2006 \$
Proceeds from sale of investments		267,001,370	184,673,903
Cost of investments sold		(240,224,488)	(170,989,594)
Unrealised gain/(loss) on investments		20,467,178	8,373,139
Other revenue from ordinary activities	2	5,582,156	4,736,167
Performance fees		(2,954,800)	(213,725)
Management fees		(1,456,147)	(1,137,594)
Directors fees		(70,000)	(60,000)
Brokerage expense on share purchases		(785,113)	(563,614)
Other expenses from ordinary activities		<u>(378,552)</u>	<u>(238,539)</u>
Profit before income tax		47,181,601	24,580,143
Income tax expense	3(a)	<u>(13,175,847)</u>	<u>(6,538,626)</u>
Profit attributable to members of the Company	11	<u>34,005,754</u>	<u>18,041,517</u>
Basic earnings per share	14	<u>45.8 cents</u>	<u>25.9 cents</u>
Diluted earnings per share	14	<u>44.8 cents</u>	<u>n/a</u>

The accompanying notes form part of these financial statements.

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BALANCE SHEET AS AT 30 JUNE 2007

	Notes	June 2007 \$	June 2006 \$
ASSETS			
Cash and cash equivalents	12	40,548,144	20,367,060
Trade and other receivables	6	10,698,453	5,762,143
Financial assets	7	136,384,110	90,289,910
Deferred tax assets	3(b)	4,125	3,465
TOTAL ASSETS		187,634,832	116,422,578
LIABILITIES			
Trade and other payables	8	7,351,755	1,603,414
Current tax liabilities	3(c)	4,200,970	1,716,756
Deferred tax liabilities	3(d)	12,197,885	6,559,625
TOTAL LIABILITIES		23,750,610	9,879,795
NET ASSETS		163,884,222	106,542,783
EQUITY			
Issued capital	9	117,706,977	82,773,313
Reserve	10	26,138,729	11,812,949
Retained earnings	11	20,038,516	11,956,521
TOTAL EQUITY		163,884,222	106,542,783

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2007

	Notes	June 2007 \$	June 2006 \$
Total equity as at 1 July 2006		106,542,783	94,797,806
Profit for the year attributable to members of the Company	11	34,005,754	18,041,517
Shares issued in the year	9(b)	34,933,664	2,334,353
		<u>175,482,201</u>	<u>115,173,676</u>
Dividends paid or provided for	4	<u>(11,597,979)</u>	<u>(8,630,893)</u>
Total equity as at 30 June 2007 attributable to members of the Company		<u>163,884,222</u>	<u>106,542,783</u>

The accompanying notes form part of these financial statements.

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CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	Notes	June 2007 \$	June 2006 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Dividends received		3,626,061	2,935,997
Interest received		1,681,185	1,257,655
Other investment income received		383,348	361,458
Investment management fees		(1,500,140)	(1,208,078)
Investment performance fees		(229,364)	-
Brokerage expense on share purchases		(785,113)	(563,614)
Payments for administration expenses		(351,107)	(272,084)
Income tax paid	3(c)	(5,054,033)	(4,538,528)
NET CASH USED IN OPERATING ACTIVITIES	13	(2,229,163)	(2,027,194)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments		263,444,865	180,844,576
Payments for purchase of investments		(264,370,303)	(196,212,917)
NET CASH USED IN INVESTING ACTIVITIES		(925,438)	(15,368,341)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(8,776,265)	(6,296,541)
Proceeds from options exercised		32,111,949	-
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES		23,335,685	(6,296,541)
NET INCREASE /(DECREASE) IN CASH HELD		20,181,084	(23,692,076)
Cash at beginning of financial year		20,367,060	44,059,136
CASH AT END OF FINANCIAL YEAR	12	40,548,144	20,367,060

The accompanying notes form part of these financial statements.

WAM CAPITAL LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

WAM Capital Limited is a listed public company, incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted in the preparation of the financial report. The accounting policies have been consistently applied, and except where there is a change in accounting policy, are consistent with those of the previous year.

Basis of Preparation

The Company has prepared these financial statements in accordance with the Australian Equivalents to International Financial Reporting Standards (AIFRS) from 1 July 2005.

The financial statements have been prepared on an accruals basis and are based on historical costs with the exception of "held-for-trading" financial assets and certain other financial assets and liabilities which have been measured at fair value.

Accounting Policies

(a) Investments

i) Classification

Investments consist of shares in publicly listed and unlisted companies and investments in fixed interest securities.

It is considered that the information needs of shareholders in a company of this type are better met by stating investments at fair value rather than historical cost and by presenting the Balance Sheet on a liquidity basis.

The Company may short sell securities in anticipation of a decline in the market value of that security, or it may short sell securities for various arbitrage transactions. Short sales or borrowed stock are classified as a financial liability and are revalued to fair value through the Income Statement.

ii) Valuation

All investments are classified as "held-for-trading" investments and are recognised at fair value, being the market value including the potential tax charges that may arise from the future sale of the investments.

iii) Unrealised Gains and Losses

Unrealised gains and losses are included in operating profit for the year and are transferred to an asset revaluation reserve, net of the potential tax charges that may arise from the future sale of the investments.

iv) Investment income

Dividend income is recognised in the Income Statement on the day on which the relevant investment is first quoted on an "ex-dividend" basis. Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

Realised gains and losses are included in operating profit in the year of sale, and are transferred from the asset revaluation reserve.

(b) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the Balance Sheet.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary difference arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Income Tax (continued)

No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Income Statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by law.

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, at call deposits with banks or financial institutions and fixed interest securities maturing within three months.

(d) Trade and Other Receivables

Trade and other receivables are stated at their amortised cost less impairment losses (refer Note 1(f)).

(e) Trade and Other Payables

Trade and other payables are stated at their amortised cost.

(f) Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Income Statement.

(g) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of the GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as an asset or liability in the Balance Sheet.

Cash flows are presented in the Cash Flow Statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(h) Segment Reporting

The Company is engaged in investment activities conducted in Australia and derives revenue and investment income from listed, unlisted and fixed interest securities.

(i) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	June 2007 \$	June 2006 \$
2. OTHER REVENUE FROM ORDINARY ACTIVITIES		
Australian sourced dividends	3,394,075	3,056,964
Foreign sourced dividends	112,367	46,479
Interest	1,647,608	1,275,709
Underwriting fees	196,158	181,210
Trust distributions	223,828	175,805
Other income	8,120	-
	<u>5,582,156</u>	<u>4,736,167</u>
3. TAXATION		
(a) Income Tax Expense		
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2006: 30%)		
	14,154,480	7,374,043
Imputation credit gross up	387,179	338,791
Franking credit offset	(1,290,597)	(1,129,303)
Other non-assessable items	(120,268)	(33,725)
Under/(over) provision in prior year	45,053	(11,180)
	<u>13,175,847</u>	<u>6,538,626</u>
Total income tax expense results in a:		
Current tax liability	7,493,194	3,884,170
Deferred tax liability	5,638,260	2,665,900
Deferred tax asset	(660)	(264)
Under/(over) provision in prior year	45,053	(11,180)
	<u>13,175,847</u>	<u>6,538,626</u>
(b) Deferred Tax Assets		
Provisions	<u>4,125</u>	<u>3,465</u>
Movement in deferred tax assets		
Balance at the beginning of the year	3,465	3,201
Charged to the Income Statement	660	264
At reporting date	<u>4,125</u>	<u>3,465</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	June 2007 \$	June 2006 \$
3. TAXATION (CONTINUED)		
(c) Current Tax Liabilities		
Movement in current tax liabilities		
Balance at the beginning of the year	1,716,756	2,382,294
Current year income tax expense on operating profit	7,493,194	3,884,170
Income tax paid	(5,054,033)	(4,538,528)
Under/(over) provision in prior year	45,053	(11,180)
At reporting date	<u>4,200,970</u>	<u>1,716,756</u>
(d) Deferred Tax Liabilities		
Fair value adjustments	12,162,898	6,491,626
Income provisions	34,987	67,999
	<u>12,197,885</u>	<u>6,559,625</u>
Movement in deferred tax liabilities		
Balance at the beginning of the year	6,559,625	3,893,725
Charged to the Income Statement	5,638,260	2,665,900
At reporting date	<u>12,197,885</u>	<u>6,559,625</u>
4. DIVIDENDS		
(a) Ordinary dividends recognised in the current year		
Dividends paid by the Company	<u>11,597,979</u>	<u>8,630,893</u>

Dividends paid by the Company for the year ended 30 June 2007	Cents per share	Total amount \$	Date of payment	Tax rate for franking credit	Percentage franked
Final 2006 – ordinary	7.0	4,726,058	27 Oct 2006	30%	100%
Interim 2007 - ordinary	8.0	6,871,921	27 Apr 2007	30%	100%
Total franked amount	<u>15.0</u>	<u>11,597,979</u>			

Dividends paid by the Company for the year ended 30 June 2006	Cents per share	Total amount \$	Date of payment	Tax rate for franking credit	Percentage franked
Final 2005 – ordinary	6.0	3,957,908	17 Oct 2005	30%	100%
Interim 2006 - ordinary	7.0	4,672,985	28 Apr 2006	30%	100%
Total franked amount	<u>13.0</u>	<u>8,630,893</u>			

(b) Dividends not recognised at year end

In addition to the above dividends, since the end of the year, the Directors have recommended the payment of a final dividend of:

	Cents per share	Total amount \$	Date of payment	Tax rate for franking credit	Percentage franked
Final - ordinary	8.0	6,952,225	26 Oct 2007	30%	100%

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

4. DIVIDENDS (CONTINUED)

(b) Dividends not recognised at year end (continued)

The final dividend has not been brought to account in the financial statements for the year ended 30 June 2007 but will be recognised in subsequent financial reports.

(c) Dividend Franking Account

The franked portion of the final dividend recommended after 30 June 2007 will be franked out of existing franking credits or out of franking credits arising from the payment of income tax in the year ending 30 June 2007.

	June 2007	June 2006
	\$	\$
Balance of franking account at year end adjusted for franking credits, arising from payment of provision for income tax and dividends recognised as receivables and franking credits that may be prevented from distribution in subsequent financial years.	8,053,724	4,195,442
Subsequent to year end, the franking account would be reduced by the proposed dividend disclosed in (c) above as follows:	<u>(2,979,525)</u>	<u>(2,025,453)</u>
	<u>5,074,199</u>	<u>2,169,989</u>

The Company's ability to continue to pay franked dividends is dependent upon the receipt of franked dividends from investments and the Company paying tax.

The balance of the franking account does not include the tax to be paid on unrealised investment gains and accrued income currently recognised as a deferred tax liability of \$12,197,885 (2006: \$6,559,625).

5. AUDITORS REMUNERATION

Remuneration of the auditor of the Company for:

Auditing or reviewing the financial report	24,140	20,195
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Non-audit services

Other services provided by a related practice of the auditor:

Taxation Services	<u>6,150</u>	<u>6,243</u>
	<u>30,290</u>	<u>26,438</u>

The Company's Audit Committee oversees the relationship with the Company's External Auditors. The Audit Committee reviews the scope of the audit and review and the proposed fee. It also reviews the cost and scope of other audit-related tax compliance services provided by a related entity of the audit firm, to ensure that they do not compromise independence.

6. TRADE AND OTHER RECEIVABLES

Trade debtors	8,130,143	4,573,638
Income receivable	166,290	274,728
Sundry debtors	1,872,000	-
GST receivable	304,749	53,777
Loans receivable	<u>225,271</u>	<u>860,000</u>
	<u>10,698,453</u>	<u>5,762,143</u>

WAM CAPITAL LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

6. TRADE AND OTHER RECEIVABLES (CONTINUED)

Trade debtors relate to outstanding settlements, and are on the terms operating in the securities industry. These require the settlement within three (3) days of the date of a transaction. Income receivable relates to accrued income and are non-interest bearing and unsecured. Sundry debtors relates to a non-interest bearing and unsecured unsuccessful share placement that was repaid on the 2 July 2007. Loans receivable represents a Convertible Note Loan with an interest rate of 20% pa and is due for repayment or conversion on 17 August 2007.

	June 2007 \$	June 2006 \$
7. FINANCIAL ASSETS		
Listed investments	135,282,569	88,418,720
Unlisted investments	1,101,541	1,871,190
	<u>136,384,110</u>	<u>90,289,910</u>

As at 30 June 2007, there was no interest rate exposure of the portfolio through the holding of perpetual notes (2006: weighted average interest rate 7.85% and a maturity of 18 months). The market values of individual investments as at 30 June 2007 are disclosed on page 4 of the Annual Report.

8. TRADE AND OTHER PAYABLES

Trade creditors	2,435,570	1,222,610
Borrowed stock	1,505,520	-
Sundry creditors	3,410,665	380,804
	<u>7,351,755</u>	<u>1,603,414</u>

Trade creditors relate to outstanding settlements, and are on the terms operating in the securities industry. These require settlement within three (3) days of the date of the transaction. Sundry creditors are settled within the terms of payment offered. No interest is applicable on these accounts. The level of borrowed stock plus other borrowings can not exceed 50% of the net asset value of the Company as outlined in the Company's Management Agreement.

9. ISSUED CAPITAL

(a) Paid-up Capital

86,902,811 ordinary shares fully paid (2006: 67,515,112)	<u>117,706,977</u>	<u>82,773,313</u>
--	--------------------	-------------------

(b) Movement in Ordinary Share Capital

Balance at the beginning of the year	82,773,313	80,438,960
17,839,970 ordinary shares issues from the exercise of options issued 24 October 2006, exercise price of \$1.80 per share	32,111,949	-
695,659 ordinary shares issued on 27 October 2006 under a dividend reinvestment plan	1,233,070	-
852,070 ordinary shares issued on 27 April 2007 under a dividend reinvestment plan	1,588,645	-
791,782 ordinary shares issued on 17 October 2005 under a dividend reinvestment plan	-	1,129,876
758,186 ordinary shares issued on 28 April 2006 under a dividend reinvestment plan	-	1,204,477
At reporting date	<u>117,706,977</u>	<u>82,773,313</u>

WAM CAPITAL LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

9. ISSUED CAPITAL (CONTINUED)

(b) Movement in Ordinary Share Capital (continued)

Holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at shareholder meetings, otherwise each member present at a meeting or by proxy has one vote on a show of hands. In the event of the winding up of the Company, ordinary shareholders rank after creditors and share in any proceeds on winding up in proportion to the number of shares held.

(c) Options

The Company issued a prospectus dated 17 November 2006 for a 1 for 1 bonus issue of 68,210,771 options to acquire fully paid ordinary shares exercisable at \$1.80 per option and expire on 17 December 2007. From the date of issue to 30 June 2007 the Company issued 17,839,970 ordinary shares as a result of the exercise of options for a total consideration of \$32,111,949. At 30 June 2007, 50,370,801 options remain unexercised.

	June 2007 \$	June 2006 \$
10. RESERVE		
Asset Revaluation Reserve	<u>26,138,729</u>	<u>11,812,949</u>

This reserve is used to record increments and decrements on the revaluation of the investments, net of potential tax as described in accounting policy Note 1(a) (iii).

Movement in Asset Revaluation Reserve

Balance at the beginning of the year	11,812,949	5,905,136
Transfer from/(to) retained earnings	<u>14,325,780</u>	<u>5,907,813</u>
At reporting date	<u>26,138,729</u>	<u>11,812,949</u>

11. RETAINED EARNINGS

Balance at the beginning of the year	11,956,521	8,453,710
Profit for the year attributable to members of the Company	34,005,754	18,041,517
Transfer (to)/from asset revaluation reserve	(14,325,780)	(5,907,813)
Dividends paid (refer Note 4)	<u>(11,597,979)</u>	<u>(8,630,893)</u>
At reporting date	<u>20,038,516</u>	<u>11,956,521</u>

12. CASH AND CASH EQUIVALENTS

Cash as at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

Cash at bank and on hand	4,016,443	3,284,443
Fixed interest securities	<u>36,531,701</u>	<u>17,082,617</u>
	<u>40,548,144</u>	<u>20,367,060</u>

The weighted average interest rate for cash and fixed interest securities as at 30 June 2007 is 6.43% (2006: 5.86%). The fixed interest securities had an average maturity of 66 days (2006: 30 days).

WAM CAPITAL LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	June 2007 \$	June 2006 \$
13. CASH FLOW INFORMATION		
Reconciliation of Operating Profit after Income Tax		
Operating profit after income tax	34,005,754	18,041,517
Add/(less) items classified as Investing/Financing Activities:		
Realised gain on sale of investments	(26,776,880)	(13,684,309)
Add/(less) non cash items:		
Unrealised profit on investments	(20,467,178)	(8,373,139)
Net cash provided by Operating Activities before changes in assets and liabilities:		
Increase in receivables	(142,533)	(201,790)
Increase in deferred tax assets	(660)	(264)
Increase in payables	3,029,860	190,428
Increase/(decrease) in current tax liabilities	2,484,214	(665,537)
Increase in deferred tax liabilities	5,638,260	2,665,900
Net cash used in Operating Activities	(2,229,163)	(2,027,194)

14. EARNINGS PER SHARE

Profit after income tax used in the calculation of basic earnings per share	<u>34,005,754</u>	<u>18,041,517</u>
	No.	No.
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share:	<u>74,243,916</u>	<u>69,776,938</u>
Add: Weighted average number of options outstanding	1,615,061	n/a
Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted earnings per share:	<u>75,858,977</u>	<u>n/a</u>

15. ADDITIONAL FINANCIAL INSTRUMENT DISCLOSURE

The Company's financial instruments consist of local money market instruments, short term investments, accounts receivable and payable.

(a) Terms, Conditions and Accounting Policies

The Company's accounting policies are included in Note 1, while the terms and conditions including interest rate risk of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at balance date are included under the appropriate note for that instrument.

(b) Credit Risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

The maximum exposure to credit risk on financial assets, excluding investments, of the Company which have been recognised on the Balance Sheet, is the carrying amount. The Company is not materially exposed to any individual credit risk.

(c) Liquidity Risk

Liquidity risk represents the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

15. ADDITIONAL FINANCIAL INSTRUMENT DISCLOSURE (CONTINUED)

(c) Liquidity Risk (continued)

The Company's major cash outflows are the purchase of securities and dividends paid to shareholders, the levels of which are managed by the Board and the management company.

The Company's inward cash flows depend upon the level of sales of securities, dividends and interest received and any exercise of Company options that may be on issue from time to time.

The Company monitors its cash-flow requirements daily by reference to known sales and purchases of securities, dividends and interest to be paid or received. The Company holds a portion of its portfolio in cash and fixed interest securities sufficient to ensure that it has cash available to meet all payments. Alternatively, the Company can increase its level of sales of the readily tradeable securities it holds to increase cash inflows.

(d) Market Risk

Market risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

By its nature, as a listed investment company that invests in tradeable securities, the Company will always be subject to market risk as it invests its capital in securities which are not risk free as the market price of these securities can fluctuate.

The Company can seek to reduce market risk by not being overly exposed to one company or one particular sector of the market. The Company does not have set parameters as to a minimum or maximum amount of the portfolio that can be invested in a single company or sector.

(e) Net Fair Values

The carrying amounts of financial instruments on the Balance Sheet approximate their net fair values.

16. EVENTS SUBSEQUENT TO REPORTING DATE

The final dividend as recommended by the Directors will be paid subsequent to balance date and is not provided for in the Balance Sheet. Refer to Note 4 of this report.

Other than the matter discussed above there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of material and unusual nature likely, in the opinion of the Company, to significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity, in future financial years.

17. INVESTMENT TRANSACTIONS

The total number of contract notes that were issued for transactions in securities during the financial year was 2,717 (2006: 2,584). Each contract note could involve multiple transactions. The total brokerage paid on these contract notes was \$2,037,705 (2006: \$1,369,859).

June 2007	June 2006
\$	\$

18. CONTINGENT LIABILITIES

Estimates of material amounts of contingent liabilities, not provided for in the accounts, arising from:

Sub-underwriting agreements entered into during the year of which the offer closes after balance date.

540,000

525,000

WAM CAPITAL LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	June 2007 \$	June 2006 \$
19. CAPITAL COMMITMENTS		
Capital commitments exist for placements entered into before 30 June 2007, which settled after year end in July and August 2007.	3,728,952	700,000

20. KEY MANAGEMENT PERSONNEL COMPENSATION

The names and position held of the Company's key management personnel (including Directors) in office at any time during the financial year are:

G.J. Wilson	Chairman
M.J. Kidman	Non-Executive Director
P.D.K. Jensen	Non-Executive Director
J.M. Chirnside	Non-Executive Director

a) Remuneration

There are no executives that are paid by the Company. Wilson Asset Management (International) Pty Limited, the investment manager of the Company, remunerates Geoff Wilson and Matthew Kidman as employees and/or directors of the Company. The Manager also provides day to day management of the Company and is remunerated as outlined in the Directors' Report.

Individual directors' remuneration disclosures are provided in the Remuneration Report of the Directors' Report on pages 12 to 13, as permitted by Corporations Regulation 2M.3.03 and 2M.6.04.

	Directors' Fees \$	Post-employment Superannuation \$	Total \$
Total Directors remuneration paid by the Company for the year ended 30 June 2007	45,871	24,129	70,000

b) Share and Option holdings

As at 30 June 2007 the Company's key management personnel held the following interests in the Company:

Ordinary Shares held

	Directors	Position	Balance at 30 June 2006	Acquisitions/ Options Exercised	Disposals	Balance at 30 June 2007
	G.J. Wilson	Chairman	3,760,077	1,205,438	1,404,568	3,560,947
	M.J. Kidman	Non-Executive Director	290,192	22,377	-	312,569
	P.D.K Jensen	Non-Executive Director	44,734	30,712	3,211	72,235
	J. M. Chirnside	Non-Executive Director	35,146	118	35,264	-
			4,130,149	1,258,645	1,443,043	3,945,751

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

20. KEY MANAGEMENT PERSONNEL COMPENSATION (CONTINUED)

b) Share and Option holdings (continued)

Options held

Directors	Position	Balance at 30 June 2006	Bonus Issue/ Acquisitions	Disposals/ Options Exercised	Balance at 30 June 2007
G.J. Wilson	Chairman	-	4,910,752	4,840,899	69,853
M.J. Kidman	Non-Executive Director	-	295,708	285,194	10,514
P.D.K Jensen	Non-Executive Director	-	43,163	26,100	17,063
J. M. Chirnside	Non-Executive Director	-	3,118	3,118	-
		-	5,252,741	5,155,311	97,430

Directors and director related entities disposed of and acquired ordinary shares and options in the Company on the same terms and conditions available to other shareholders.

The Directors have not, during or since the end financial year, been granted options over unissued shares or interests in shares of the Company as part of their remuneration.

21. RELATED PARTY TRANSACTIONS

All transactions with related entities were made on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Geoffrey Wilson is the sole Director and beneficial owner of Wilson Asset Management (International) Pty Limited, the entity appointed to manage the investment portfolio of WAM Capital Limited. Matthew Kidman is an employee of Wilson Asset Management (International) Pty Limited. In its capacity as manager, Wilson Asset Management (International) Pty Limited was paid a management fee of 1% p.a (plus GST) of gross assets amounting to \$1,562,695 inclusive of GST (2006: \$1,220,833). As at 30 June 2007 the balance payable to the manager was \$168,103 (2006: \$105,547).

In addition, Wilson Asset Management (International) Pty Limited is to be paid, annually in arrears, a performance fee being 20% of:

- where the level of the All Ordinaries Accumulation Index has increased over that period, the amount by which the Value of the Portfolio exceeds this increase; or
- where the All Ordinaries Accumulation Index has decreased over that period, the amount of the increase in the Value of the Portfolio.

No performance fee is payable in respect of any performance period where the portfolio has decreased in value over that period. For the year ended 30 June 2007, a performance fee of \$3,171,005 (inclusive of GST) was payable to Wilson Asset Management (International) Pty Limited (2006: \$229,364).

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than those detailed above) by reason of a contract made by the Company or a related Company with the Director or with a firm of which he is a member or with a Company in which he has substantial financial interest.

WAM CAPITAL LIMITED


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DIRECTORS' DECLARATION

The Directors of WAM Capital Limited declare that:

1. The financial report and the additional disclosures included in the Directors' Report designated as "Remuneration Report", as set out on pages 12 to 13, are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standards in Australia and the *Corporations Regulations 2001*; and
 - (b) giving a true and fair view of the financial position of the Company as at 30 June 2007 and of its performance, as represented by the results of the operations and the cashflows, for the year ended on that date; and
2. The Director of the Manager, Wilson Asset Management (International) Pty Limited has declared that:
 - (a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the *Corporation Act 2001*;
 - (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
 - (c) the financial statements and notes for the financial year give a true and fair view.
3. At the date of this declaration, in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors.



G.J Wilson, Chairman

Dated at Sydney this 21st day of August 2007

PARTNERS:

Howard Badger CA
 Andrew Blackwell CA
 Chris Chandran CA
 Stephen Humphrys FCA
 Garry Leysbon FCA
 Allan Mortel CA
 Wayne Morton FCA
 Brett Sato CA
 Joe Shannon CA
 Robert Southwell CA
 Spiro Tzannes FCA
 Charlie Viola (Affiliate ICAA)
 Scott Whiddett CA

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF WAM CAPITAL LIMITED

Scope

Report on the Financial Report

We have audited the accompanying financial report of WAM Capital Limited (“the company”) which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, accompanying notes to the financial statements and the directors’ declaration.

As permitted by the *Corporations Regulations 2001*, the company has disclosed information about the remuneration of directors and executives (“remuneration disclosures”), required by Accounting Standard AASB 124 *Related Party Disclosures*, under the heading “Remuneration Report” on pages 11 and 12 of the directors’ report and not in the financial report.

Directors Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The directors are also responsible for preparation and presentation of the remuneration disclosures contained in the directors’ report in accordance with the *Corporations Regulations 2001*.

Auditor’s Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. Our audit was conducted in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement and the remuneration disclosures in the directors’ report comply with Accounting Standard AASB 124.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial report, whether due to error or fraud. In making those risk assessments, the auditor considers internal controls relevant to the entity’s preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report and the remuneration disclosures in the directors’ report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

Audit opinion

In our opinion,

- (a) the financial report of WAM Capital Limited is in accordance with the *Corporations Act 2001*, including:
- i. giving a true and fair view of WAM Capital Limited's financial position as at 30 June 2007 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the remuneration disclosures that are contained in the remuneration report on pages 11 and 12 of the directors' report comply with Accounting Standard AASB 124.

Moore Stephens Sydney

MOORE STEPHENS SYDNEY
Chartered Accountants



C. CHANDRAN
Partner

Dated in Sydney this 21st day of August 2007.

WAM CAPITAL LIMITED

ABN: 34 086 587 395

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report.

SHAREHOLDINGS

Substantial shareholders (as at 31 July 2007)

There are currently no substantial shareholders of WAM Capital Limited.

On-market buy back

There is no current on-market buy back.

Distribution of shareholders (as at 31 July 2007)

Category	No. of shareholders	
	Ordinary Shares	Options
1 – 1,000	310	219
1,001 – 5,000	1,131	674
5,001 – 10,000	961	511
10,001 – 100,000	1,648	730
100,001 and over	91	51
	<hr/> 4,141	<hr/> 2,185

The number of shareholdings held in less than marketable parcels is 52.

Twenty largest shareholders - Ordinary shares (as at 31 July 2007)

Name	Number of ordinary shares held	Percentage of issued capital held
Mr Victor John Plummer	3,070,095	3.53
Mr Geoffrey James Wilson	2,596,773	2.99
Dr Russell Kay Hancock	1,650,000	1.90
Mrs Fay Cleo Martin-Weber	1,463,068	1.68
Marbear Holdings Pty Limited	1,440,300	1.66
Vilo Finance Pty Limited	1,400,000	1.61
Pineross Pty Ltd	1,286,126	1.48
VBS Investments Pty Limited	1,200,000	1.38
Dynasty Peak Pty Limited	894,321	1.03
Namberry Way Pty Limited	790,000	0.91
The Uniting Church of Australia Property Trust (SA)	600,000	0.69
Sanolu Pty Limited	555,000	0.64
Eneber Investment Company Limited	531,000	0.61
Mr Thomas Storey & Mrs Elizabeth Storey	400,000	0.46
Edington Pty Limited (Herring Super Fund A/c)	385,851	0.44
Citicorp Nominees Pty Limited	373,150	0.43
Bond Street Custodians Limited (KDoyle – GS1028 A/c)	363,977	0.42
Trophy Components Distributors Pty Limited	354,798	0.41
Dalyenong Pty Limited	300,000	0.35
Mr CK Jiang & Ms SY Teng (Jiang & Teng Family A/c)	295,176	0.34
	<hr/> 19,949,635	<hr/> 22.94

WAM CAPITAL LIMITED

ABN: 34 086 587 395

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report.

Twenty largest shareholders - Options (as at 31 July 2007)

Name	Number of options held	Percentage of options held
Huoncan Super Pty Ltd (Houcan Super Fund A/c)	2,618,951	5.20
Caforb Pty Ltd (M E Seabrook Family A/c)	2,120,293	4.21
Citicorp Nominees Pty Limited	1,618,303	3.22
Mr Allan Bevan	1,554,851	3.09
Mrs Fay Cleo Martin-Weber	1,463,068	2.91
Marbear Holdings Pty Ltd	1,440,300	2.86
Vilo Finance Pty Ltd	1,400,000	2.78
Dr Russell Kay Hancock	1,350,000	2.68
VBS Investments Pty Ltd	1,200,000	2.38
Kinsbrook Pty Ltd (SCT A/c)	716,000	1.42
Mr Clarence Allan Bieber	700,000	1.39
Mark Mitchell Services Pty Ltd (Mitchell Super Fund A/c)	480,000	0.95
Trophy Components Distributors Pty Limited	354,798	0.71
Eneber Investment Company Limited	350,000	0.70
Mr Robert Calandra	350,000	0.70
Irish Global Equity Limited	282,305	0.56
Mr Andrew Ross Mclean	259,453	0.52
Mr Dragoslav Pajic	254,543	0.51
Mr IG Poupard & Mrs JM Poupard (Ian Poupard Super Fund A/c)	215,194	0.43
Mr V Paganoni & Mrs KB Paganoni	214,492	0.43
	19,192,551	38.13

STOCK EXCHANGE LISTING

Quotation has been granted for all of the ordinary shares and options of the Company on all Member Exchanges of the ASX Limited.

