

**WAM CAPITAL LIMITED**  
**ABN 34 086 587 395**  
**AND CONTROLLED ENTITY**  
**APPENDIX 4D**  
**HALF YEAR REPORT**  
**for the half year ended 31 December 2012**

**RESULTS FOR ANNOUNCEMENT TO THE MARKET**  
*All comparisons to the half year ended 31 December 2011*

	\$	up/down	% mvmt
Revenue from ordinary activities	28,946,373	up	897.5%
Profit from ordinary activities before income tax expense	31,763,792	up	707.1%
Net profit from ordinary activities after income tax expense	25,065,051	up	1,076.0%
		<b>Franked amount per share</b>	<b>Tax rate for franking</b>
<b>Dividend Information</b>	<b>Amt per share</b>		
2013 Interim dividend cents per share	6.0c	6.0c	30%
2012 Final dividend cents per share	5.5c	5.5c	30%

**Interim dividend dates**

Ex dividend date	17 April 2013
Record Date	23 April 2013
Payment Date	30 April 2013

**Dividend Reinvestment Plan**

The Dividend Reinvestment Plan is in operation and the recommended fully franked interim dividend of 6.0 cents per share qualifies. Participating shareholders will be entitled to be allotted the number of shares (rounded to the nearest whole number) which the cash dividend would purchase at the relevant issue price. The relevant issue price will be at a 2.5% discount to the price (calculated as the weighted average market price of shares sold on the ASX on the books closing date for the relevant dividend and the 3 trading days preceding that date less the discount (if any)).

**Control gained over an entity in the half year**

On 31 December 2012, the company increased its ownership of Premium Investors Limited to 100% when it acquired 97.3% of the issued capital via a scheme of arrangement. As control was acquired on 31 December, Premium Investors Limited did not contribute to the Group's consolidated profit from ordinary activities during the period.

	31 Dec 12	31 Dec 11
Net tangible asset backing (after tax) cents per share	\$1.70	\$1.55

*This report is based on the Half Year Financial Report which has been subject to independent review by the Auditors, Moore Stephens Sydney. All the documents comprise the information required by Listing Rule 4.2A. This information should be read in conjunction with the 30 June 2012 Annual Financial Report.*



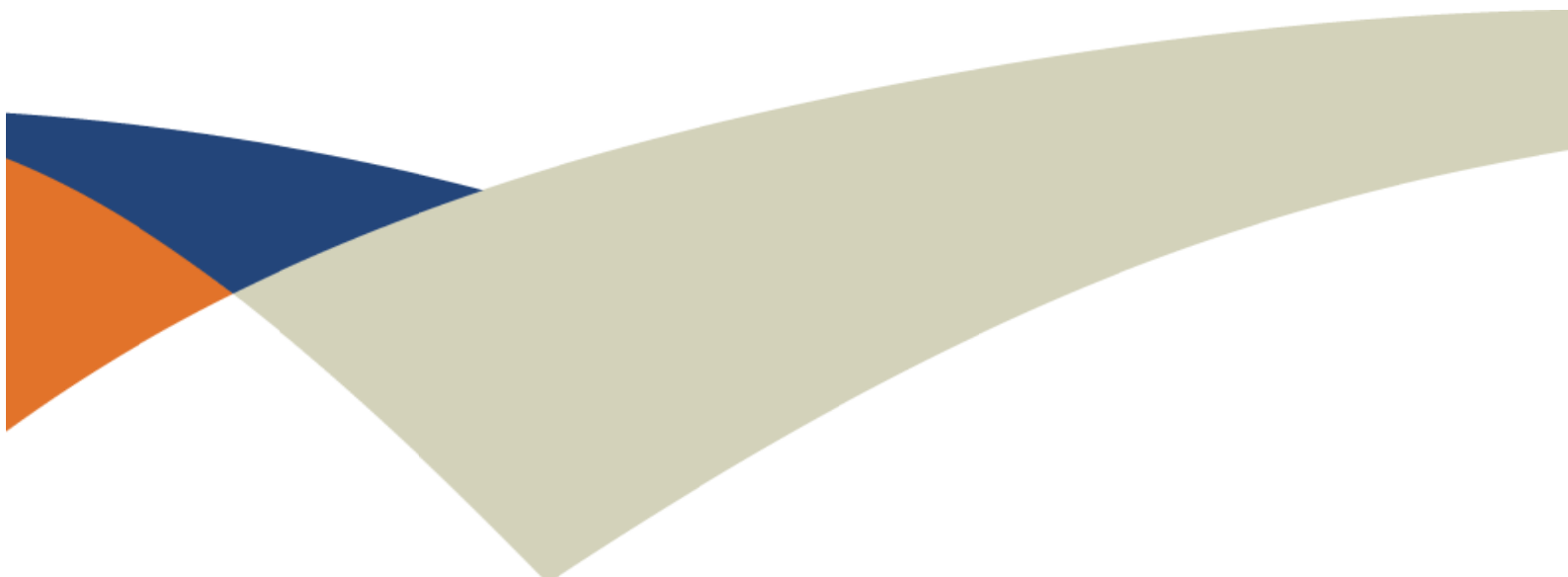
# **WAM Capital Limited**

ABN 34 086 587 395

**And Controlled Entity**

## **Financial Report**

for the half year ending 31 December 2012



## Company Particulars

WAM Capital Limited is a Listed Investment Company and is a reporting entity. It is primarily an investor in equities listed on the Australian securities market.

<b>Directors:</b>	G. Wilson (Chairman) M. Kidman L. Mann	J. Chirnside P. Jensen
<b>Secretary:</b>	K. Thorley	
<b>Investment Manager:</b>	Wilson Asset Management (International) Pty Limited Level 11, 139 Macquarie Street Sydney NSW 2000	
<b>Auditors:</b>	Moore Stephens Sydney	
<b>Country of Incorporation:</b>	Australia	
<b>Registered Office:</b>	Level 11, 139 Macquarie Street Sydney NSW 2000	
<b>Contact Details:</b>	Postal Address: GPO Box 4658, Sydney NSW 2001 Telephone: (02) 9247 6755 Fax: (02) 9247 6855 Email: <a href="mailto:info@wamfunds.com.au">info@wamfunds.com.au</a> Website: <a href="http://www.wamfunds.com.au">www.wamfunds.com.au</a>	
<b>Share Registrar:</b>	Boardroom Pty Limited Level 7, 207 Kent Street Sydney NSW 2000 Telephone: (02) 9290 9600 Fax: (02) 9279 0664	
	For enquiries relating to shareholdings, dividends (including participation in the Dividend Reinvestment Plan) and related matters, please contact the share registrar.	
<b>Australian Securities Exchange:</b>	WAM Capital Ordinary Shares (WAM) WAM Capital Options (WAMO) \$1.60 expiring 31 July 2013	

# WAM CAPITAL LIMITED AND CONTROLLED ENTITY

## DIRECTORS' REPORT TO SHAREHOLDERS FOR THE HALF YEAR ENDED 31 DECEMBER 2012

The Directors present their report together with the consolidated financial report of WAM Capital Limited ("the Company") and its controlled entity ("the Group") for the half year ended 31 December 2012.

### Directors

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

- Geoffrey Wilson (Chairman – Non-independent)
- Matthew Kidman (Non-Executive Director – Non-independent)
- James Chirside (Non-Executive Director – Independent)
- Paul Jensen (Non-Executive Director – Independent)
- Lindsay Mann (Non-Executive Director – Independent) (appointed 31 December 2012)

### Principal Activity

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

### Investment Objectives

The Company's investment objectives are to deliver a rising stream of fully franked dividends, to provide capital growth and preserve capital.

### Operating and Financial Review

Investment operations over the half year resulted in an operating profit before tax of \$31,763,792 (2011: operating loss before tax of \$5,232,002) and an operating profit after tax of \$25,065,051 (2011: operating loss after tax of \$2,568,053). The result is a reflection of the investment portfolio returning 14.1% compared to the previous corresponding period where there was a decline of 2.2%.

Under Accounting Standards, realised gains and losses and dividend income are added to or reduced by changes in the market value of the Company's investments. This can lead to large variations in reported profits or losses. We believe a more appropriate measure of the results is the change in Net Tangible Asset (NTA), adjusted for dividends. The pre tax NTA increased 11.1% for the 6 months to 31 December 2012. The share price, adjusted for dividends, increased 12.2% for the 6 months to 31 December 2012.

Net Tangible Assets for each ordinary share as at 31 December 2012 (calculated on market value less realisation costs and all applicable taxes and before provision for dividend) amounted to \$1.70 cents per share (2011: \$1.55). Net Tangible Assets after tax on realised gains but before tax on unrealised gains was \$1.74 per share (2011: \$1.58). This is after the payment of 5.5 cents in fully franked dividends and 0.74 cents per share of tax during the period.

On 31 August 2012, 22,885,209 WAM Capital shares and 22,885,209 WAM Capital options were issued by way of a placement to new investors and existing shareholders. The total amount raised from the offer was \$36,980,209.

On 31 December 2012, the Company successfully completed a merger with Premium Investors Limited (Premium) via a scheme of arrangement. 65% of Premium shareholders received scrip and 35% received cash. The Company issued 32,206,715 WAM Capital shares and 32,206,715 WAM Capital options for a value of \$55,331,136 to those who elected to receive scrip and paid \$28,934,488 to those who elected cash. Premium is now a wholly owned subsidiary of the Company. Furthermore, since the implementation date and following a comprehensive review, the Board has redeemed each of the underlying funds in Premium, with proceeds being managed in line with WAM Capital's proven investment process.

**WAM CAPITAL LIMITED  
AND CONTROLLED ENTITY**

**DIRECTORS' REPORT TO SHAREHOLDERS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2012**

On 2 April 2012, the Board announced a 1 for 1 bonus issue of options to acquire ordinary shares in the capital of the Company. Further options were issued during the period as part of the placement and merger. The options have an exercise price of \$1.60 per share and can be exercised at any time on or before 31 July 2013. The options are currently trading on the ASX under the code WAMO.

As at 31 December 2012, a total of 8,672,649 options have been exercised for a total consideration of \$13,876,238 with a remaining balance of outstanding options being 153,239,229.

A final dividend of 5.5 cents per share fully franked was paid in the period to 31 December 2012 and an interim dividend of 6.0 cents per share fully franked has been declared by the Board and will be paid on 30 April 2013.

**Auditors' Independence Declaration**

A copy of the Auditors' Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 3.

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

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

Geoffrey Wilson, Chairman  
Dated at Sydney this 15th day of February 2013

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Sydney NSW 2000

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**Auditor's Independence Declaration  
to the Directors of WAM Capital Limited**

As lead auditor for the review of WAM Capital Limited for the half year ended 31 December 2012, 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 review; and
- b. no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of WAM Capital Limited during the period.



**Moore Stephens Sydney**  
Chartered Accountants



**Scott Whiddett**  
Partner

Dated in Sydney this 15<sup>th</sup> day of February 2013.

**WAM CAPITAL LIMITED  
AND CONTROLLED ENTITY**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF YEAR ENDED 31 DECEMBER 2012**

	Note	December 2012 \$	December 2011 \$
Proceeds from sale of investments		180,933,847	178,119,468
Cost of investments sold		<u>(187,115,913)</u>	<u>(182,553,044)</u>
Realised losses on financial assets		(6,182,066)	(4,433,576)
Unrealised gains/(losses) on financial assets		15,543,974	(5,985,810)
Other revenue from operating activities	2	19,584,465	6,789,619
Gain on acquisition	7	5,148,869	-
Management fees		(1,172,375)	(875,982)
Directors fees		(50,000)	(50,000)
Brokerage expense on share purchases		(777,219)	(442,140)
Custody fees		(38,512)	(47,231)
ASX listing fees and chess fees		(50,765)	(51,810)
Share registry fees		(95,721)	(54,582)
Acquisition related costs		(68,905)	-
Other expenses from ordinary activities		<u>(77,953)</u>	<u>(80,490)</u>
<b>Profit/(loss) before income tax</b>		<b>31,763,792</b>	<b>(5,232,002)</b>
Income tax expense/(benefit)		<u>6,698,741</u>	<u>(2,663,949)</u>
<b>Profit/(loss) attributable to members of the Company</b>	6	<b><u>25,065,051</u></b>	<b><u>(2,568,053)</u></b>
<b>Other comprehensive income</b>			
Other comprehensive income for the period, net of tax		-	-
<b>Total comprehensive income for the period</b>		<b><u>25,065,051</u></b>	<b><u>(2,568,053)</u></b>
<b>Basic earnings per share</b>		<b><u>19.67 cents</u></b>	<b><u>(2.39) cents</u></b>
<b>Diluted earnings per share</b>		<b><u>19.50 cents</u></b>	<b><u>(2.39) cents</u></b>

The accompanying notes form part of these financial statements

**WAM CAPITAL LIMITED  
AND CONTROLLED ENTITY**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2012**

	Note	December 2012 \$	June 2012 \$
<b>Assets</b>			
Cash and cash equivalents		22,922,736	78,494,624
Trade and other receivables		2,446,744	7,674,818
Financial assets		272,594,551	94,819,931
Deferred tax assets		5,758,641	33,222
<b>Total Assets</b>		<u><b>303,722,672</b></u>	<u><b>181,022,595</b></u>
<b>Liabilities</b>			
Trade and other payables		2,742,435	7,132,471
Financial liabilities		-	2,455,694
Current tax liabilities		1,183,468	843,315
Deferred tax liabilities		7,852,121	3,371,289
<b>Total Liabilities</b>		<u><b>11,778,024</b></u>	<u><b>13,802,769</b></u>
<b>Net Assets</b>		<u><b>291,944,648</b></u>	<u><b>167,219,826</b></u>
<b>Equity</b>			
Issued capital	4	260,203,685	152,974,641
Reserves	5	28,252,002	16,054,184
Retained earnings	6	3,488,961	(1,808,999)
<b>Total Equity</b>		<u><b>291,944,648</b></u>	<u><b>167,219,826</b></u>

The accompanying notes form part of these financial statements



**WAM CAPITAL LIMITED  
AND CONTROLLED ENTITY**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED 31 DECEMBER 2012**

	Note	December 2012 \$	December 2011 \$
<b>Total Equity as at 1 July</b>		<b>167,219,826</b>	<b>171,346,450</b>
Profit/(loss) for the half year attributable to members of the Company	6	25,065,051	(2,568,053)
Total other comprehensive income for the period		-	-
Shares issued via DRP	4(b)	1,634,951	1,152,971
Shares issued via exercise of options	4(b)	13,620,371	-
Unallotted option monies received	4(b)	186,946	-
Shares issued via placement	4(b)	36,980,219	-
Shares issued at market value via acquisition	4(b)	53,624,180	-
Options issued at market value via acquisition	4(b)	1,706,956	-
Capitalised share issue costs	4(b)	(524,579)	-
		<u>299,513,921</u>	<u>169,931,368</u>
Dividends paid	3(a)	(7,569,273)	(5,253,158)
<b>Total Equity as at 31 December attributable to members of the Company</b>		<u><b>291,944,648</b></u>	<u><b>164,678,210</b></u>

The accompanying notes form part of these financial statements

**WAM CAPITAL LIMITED  
AND CONTROLLED ENTITY**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2012**

	December 2012 \$	December 2011 \$
<b>Cash Flows from Operating Activities</b>		
Dividends received	17,005,441	4,300,733
Interest received	2,596,854	2,230,472
Other investment income received	707,483	446,464
Investment management fee (inclusive of GST)	(1,464,907)	(637,919)
Investment performance fee (inclusive of GST)	(1,139,258)	(1,546,328)
Brokerage expense on share purchases (inclusive of GST)	(832,708)	(474,492)
Payments for administration expenses (inclusive of GST)	(308,522)	(285,902)
Income tax paid	(1,870,734)	(795,719)
GST on brokerage expense on share sales	(34,260)	(28,442)
Net GST received from ATO	266,340	253,900
<b>Net Cash provided by operating activities</b>	<b>14,925,729</b>	<b>3,462,767</b>
<b>Cash Flows from Investing Activities</b>		
Proceeds from sale of investments	186,215,482	174,675,012
Payments for purchases of investments	(274,241,873)	(174,762,901)
Cash on acquisition of subsidiary	2,428,351	-
Payments for acquisition of subsidiary	(29,003,393)	-
<b>Net Cash used in investing activities</b>	<b>(114,601,433)</b>	<b>(87,889)</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issue of shares	50,787,536	-
Payments for issue of shares	(749,398)	-
Dividends paid – net of reinvestment	(5,934,322)	(4,100,187)
<b>Net Cash used in financing activities</b>	<b>44,103,816</b>	<b>(4,100,187)</b>
<b>Net decrease in cash and cash equivalents held</b>	<b>(55,571,888)</b>	<b>(725,309)</b>
Cash and cash equivalents at the beginning of the half year	78,494,624	81,676,377
<b>Cash and cash equivalents at the end of half year</b>	<b>22,922,736</b>	<b>80,951,068</b>

The accompanying notes form part of these financial statements

# WAM CAPITAL LIMITED AND CONTROLLED ENTITY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2012

### 1. Statement of Significant Accounting Policies

#### Basis of Preparation

The half year consolidated financial statements are a general purpose financial statement prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

The consolidated half year financial report was authorised for issue on 15th February 2013 by the Board of Directors.

The consolidated financial report for the half year comprises WAM Capital Limited ("the Company") and its controlled entity ("the Group").

The consolidated half year report does not include full disclosures of the type normally included in an annual financial report. It is recommended that the consolidated half year financial report be read in conjunction with the Annual Financial Report for the year ended 30 June 2012 and any public announcements made by the Group during the half year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The consolidated financial statements have been prepared on an accruals basis and are based on historical cost with the exception of financial assets and certain other financial assets and liabilities which have been measured at fair value.

The accounting policies have been consistently applied by the Group and are consistent with those applied in the 30 June 2012 Annual Financial Report.

#### Details of Reporting Period

The current reporting period is the half year ended 31 December 2012. For the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow, the previous corresponding period is the half year ended 31 December 2011. For the Consolidated Statement of Financial Position, the previous corresponding date is 30 June 2012.

	December 2012 \$	December 2011 \$
<b>2. Other Revenue</b>		
Australian sourced dividends	16,949,899	4,181,435
Interest	1,910,285	2,259,246
Underwriting fees	4,020	967
Trust distributions	720,261	347,971
	<b>19,584,465</b>	<b>6,789,619</b>

**WAM CAPITAL LIMITED  
AND CONTROLLED ENTITY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2012**

	December 2012 \$	December 2011 \$
<b>3. Dividends</b>		
<b>(a) Ordinary dividends paid during the period</b>		
Final dividend FY2012: 5.5 cents per share fully franked at 30% tax rate paid 28 September 2012 (Final dividend FY2011: 5.0 cents per share fully franked).	7,569,273	5,253,158
<b>(b) Dividends not recognised during the period</b>		
Since the end of the half year, the Directors have declared an interim fully franked dividend of 6.0 cents per share payable on 30 April 2013. (Interim dividend FY2012: 5.5 cents per share fully franked).	10,941,540	5,824,478
	December 2012 \$	June 2012 \$
<b>4. Issued Capital</b>		
<b>(a) Paid-up Capital</b>		
171,529,076 ordinary shares fully paid (June 2012: 106,863,028)	260,203,685	152,974,641
<b>(b) Movement in Issued Capital</b>		
Balance at the beginning of the reporting period	152,974,641	150,330,891
8,512,734 ordinary shares issued from the exercise of options allotted July 2012 to December 2012	13,620,371	-
Options exercised at \$1.60, not yet allotted at December 2012	186,946	-
1,061,390 ordinary shares issued on 21 September 2012 under a dividend reinvestment plan	1,634,951	-
22,885,209 ordinary shares issued from the placement on 31 August 2012	36,980,219	-
32,206,715 ordinary shares issued at market value as consideration for acquisitions on 31 December 2012	53,624,180	-
32,206,715 options issued at market value as consideration for acquisitions on 31 December 2012	1,706,956	-
Share issue costs (net of tax)	(524,579)	-
43,074 ordinary shares issued from the exercise of options allotted May 2012 to June 2012 exercise price \$1.60	-	68,918
836,339 ordinary shares issued on 15 September 2011 under a dividend reinvestment plan	-	1,152,970
920,457 ordinary shares issued on 23 March 2012 under a dividend reinvestment plan	-	1,421,862
At reporting date	<u>260,203,685</u>	<u>152,974,641</u>

**WAM CAPITAL LIMITED  
AND CONTROLLED ENTITY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2012**

**(c) Options**

At 30 June 2012 the Company had 106,776,880 options on issue to acquire fully paid ordinary shares, exercisable at \$1.60 per option. During the half year period a further 22,885,209 options were issued in the August 2012 placement and 32,206,715 options issued on 31 December 2012 as a consequence of the Premium acquisition. 153,239,229 options remain unexercised and are due to expire on 31 July 2013. 8,512,734 options were allotted in the half year.

	<b>December 2012 \$</b>	<b>June 2012 \$</b>
<b>5. Reserves</b>		
Profits Reserve	<b>28,252,002</b>	<b>16,054,184</b>
	<hr/>	<hr/>
<b>Movement in Profits Reserve</b>		
Balance at the beginning of the reporting period	16,054,184	15,061,865
Transfer from retained earnings	19,767,091	12,069,955
Final dividend FY2012 paid (refer note 3(a))	(7,569,273)	(5,253,158)
Interim dividend FY2012 paid (refer note 3(b))	-	(5,824,478)
At reporting date	<b>28,252,002</b>	<b>16,054,184</b>
	<hr/>	<hr/>
<b>Movement in Asset Revaluation Reserve</b>		
Balance at the beginning of the reporting period	-	5,049,246
Transfer to retained earnings	-	(5,049,246)
At reporting date	-	-
	<hr/>	<hr/>
	<b>December 2012 \$</b>	<b>June 2012 \$</b>
<b>6. Retained Earnings</b>		
Balance at the beginning of the reporting period	(1,808,999)	904,448
Profit for the period attributable to members of the Company	25,065,051	4,307,262
Transfer to profits reserve	(19,767,091)	(12,069,955)
Transfer from asset revaluation reserve	-	5,049,246
At reporting date	<b>3,488,961</b>	<b>(1,808,999)</b>
	<hr/>	<hr/>

# WAM CAPITAL LIMITED AND CONTROLLED ENTITY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2012

### 7. Acquisition of a Controlled Entity

On 31 December 2012, the Company increased its ownership of Premium to 100% when it acquired 97.3% of the issued capital of Premium via a scheme of arrangement. The purchase consideration consisted of the issue of 32,206,715 WAM Capital shares for the value of \$53,624,180, 32,206,715 WAM Capital options for a value of \$1,706,956 and the payment of \$28,934,488 to those that elected cash.

There is no profit and revenue from the acquisition of Premium as consolidation did not occur until 31 December 2012 being the implementation date.

Had the results relating to Premium been consolidated from 1 July 2012, consolidated revenue from ordinary activities of the Group would have been \$39,006,231 and consolidated profit before tax of the Group would have been \$38,733,749 for the half year ended 31 December 2012.

The acquisition is beneficial to the Group as it provides a reduction in the fixed administration expense ratio, an increase in liquidity of WAM Capital's shares and an increase in the Company's market relevance which improves the coverage by research firms, dealer groups and financial advisors. There are also benefits from the deferred tax assets and franking credit balances in the Premium accounts.

Acquisition related costs of \$68,905 are included in the Consolidated Statement of Comprehensive Income and share issues costs of \$121,495 have been included in issued capital.

The fair value of the identifiable assets and liabilities of Premium at the date of acquisition and the cash flow at acquisition were as follows:

	<b>Fair Value</b> \$
Purchase consideration:	
Cash	28,934,488
Equity issued	55,331,136
Pre-acquisition holding	2,461,357
	86,726,981
<b>Less:</b>	
Cash and cash equivalents	2,428,351
Receivables	776,145
Investments	83,614,355
Deferred tax assets	5,507,621
Payables	(450,622)
<b>Identifiable assets acquired and liabilities assumed</b>	<b>91,875,850</b>
<b>Gain on acquisition*</b>	<b>5,148,869</b>
Purchase consideration settled in cash	28,934,488
Cash and cash equivalents in subsidiary acquired	(2,428,351)
<b>Cash outflow on acquisition</b>	<b>26,506,137</b>

\* Gain on acquisition primarily arose from deferred tax assets relating to recognised tax losses. This has been recorded in the Consolidated Statement of Comprehensive Income.

**WAM CAPITAL LIMITED  
AND CONTROLLED ENTITY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2012**

**8. Contingent Liabilities**

There are no outstanding contingent liabilities as at 31 December 2012 (June 2012: nil).

**9. Capital Commitments**

There are no outstanding capital commitments as at 31 December 2012 (June 2012: nil).

**10. Segment Reporting**

The Group currently operates only in the investment industry within Australia. It has no reportable business or geographic segment.

**11. Events Subsequent to Reporting Date**

Since the end of the half year, the Directors declared an interim dividend of 6.0 cents per share fully franked payable on 30 April 2013.

In January 2013, the Directors approved the recognition of a deferred tax asset amounting to \$7,973,446 acquired through the Premium acquisition. This amount has not been brought into account in the half year accounts.

No other matters have arisen since the end of the period which significantly affected or may significantly affect the operations of the Company, the results of the operations, or the state of affairs of the Company in future financial years.

**WAM CAPITAL LIMITED  
AND CONTROLLED ENTITY**

**DIRECTORS' DECLARATION  
FOR THE HALF YEAR ENDED 31 DECEMBER 2012**

The Directors of WAM Capital Limited declare that:

1. The financial statements and notes, as set out on pages 4 to 12, are in accordance with the *Corporations Act 2001*, including:
  - a) Complying with Australian Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
  - b) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half year ended on that date.
2. 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.

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

G.J. Wilson, Chairman  
Dated at Sydney this 15th day of February 2013



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## **INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF WAM CAPITAL LIMITED**

### **Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of WAM Capital Limited (WAM) and its Controlled Entity (the consolidated entity), which comprises the consolidated statement of financial position as at 31 December 2012, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of significant accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising WAM and the entities it controlled at half year's end or from time to time during the half-year.

#### *Directors' Responsibility for the Half-Year Financial Report*

The directors of WAM Capital Limited are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: "Review of an Interim Financial Report Performed by the Independent Auditor of the Entity", in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporation Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and their performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: "Interim Financial Reporting" and the *Corporations Regulations 2001*. As the auditor of WAM Capital Limited and its Controlled Entity, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of the half-year financial report consists of making enquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Independence*

In conducting our review, we have complied with the applicable independence requirements of the *Corporations Act 2001*.

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of WAM Capital Limited and its controlled entity is not in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of WAM Capital Limited's consolidated financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: "Interim Financial Reporting" and the *Corporations Regulations 2001*.



**Moore Stephens Sydney**  
Chartered Accountants



**Scott Whiddett**  
Partner

Dated in Sydney, this 15<sup>th</sup> day of February 2013.



**WILSON**  
ASSET MANAGEMENT

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