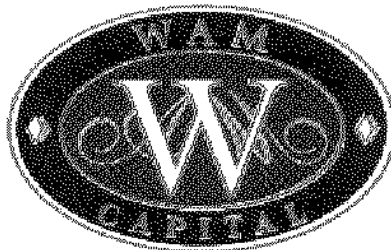


WAM CAPITAL LIMITED

(ACN 086 587 305)



WAM CAPITAL JANUARY 2007 INVESTMENT UPDATE & NTA

Since inception in August 1999 WAM Capital Ltd (WAM) has outperformed the overall sharemarket. WAM's portfolio (before all fees, costs, taxes and dividend) has increased by 497.0% compared to a 161.2% increase in the All Ordinaries Accumulation Index.

- In January WAM's gross portfolio (before all fees, costs and taxes) increased by 3.80%, while the All Ordinaries Accumulation Index rose by 2.01%.
- The gross portfolio has increased 26.9% for the 7 months to 31 January 2007.
- The NTA before tax was 199.19* cents a share, as at 31 January 2007.
- The NTA after tax was 179.06* cents a share, as at 31 January 2007.

* Undiluted for options and before the payment of an interim dividend of 8.0 cents a share fully franked, payable on the 27 April 2007.

WAM is an investment company whose mission is to provide superior returns to its investors over the medium to long term. WAM is managed by Wilson Asset Management (International) Pty Limited.

MARKET OUTLOOK

The Australian sharemarket entered the new calendar year in strong fashion by rising 2.01% in January. The ongoing positive sentiment has been stoked by the belief the Reserve Bank will not have to raise rates in 2007. Can the sharemarket rally, now 4 years old, continue? It is very difficult to see the Australian market turning down given the positive sentiment and inflow of superannuation money. However we remain cautious given valuations, especially in industrial stocks, are stretched.

DIVIDEND

On the 6th February the Directors declared an interim dividend of 8.0 cents a share fully franked payable on the 27 April 2007. The shares will trade ex dividend on 16 April 2007.

Option holders who exercise their options by the 13 April 2007 will receive the interim dividend of 8.0 cents a share.

OPTIONS ISSUE

On 24th October 2006, the Directors of WAM Capital Limited announced a 1 for 1 bonus issue of options to its shareholders. The options were allotted to shareholders on 1st December 2006 and have been issued at no cost to shareholders. The options have an exercise price of \$1.80 per option and can be exercised any time up until the expiry date of 17 December 2007. As at the 8th February 445,566 options have been exercised for a total consideration of \$802,019 with a remaining balance of outstanding options being 67,765,205.

PORTFOLIO STRUCTURE & STRATEGY

As at 31 January 2007, listed securities made up approximately 91% of the portfolio, while fixed interest and cash made up the remaining 9%. We continue to focus on companies with strong earnings per share growth, trading on attractive earnings multiples, and are well positioned in growth industries and have proven management. We continue to research heavily to find companies that meet this profile.

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

COMPANY	MARKET VALUE \$
Bank of Queensland Reset Prefs (BOQPB)	1,683,885
Chandler MacLeod Ltd (CHD)	1,306,896
Clime Investment Ltd (CIW)	2,272,117
Coffey International Ltd (COF)	3,054,445
Contango Microcap Ltd (CTN)	1,434,518
Credit Corp Group Ltd (CCP)	7,003,159
Energy Resource of Australia Ltd (ERA)	2,182,950
Gosford Quarry Ltd (GQH)	1,305,348
Henderson Group Plc (HGI)	2,630,880
Incremental Petroleum Ltd (IPM)	1,403,948
IWL Ltd (IWL)	2,036,714
Linq Resources Fund (LRF)	2,445,222
Ludowici Ltd (LDW)	1,636,332
Mariner Bridge Investments Ltd (MBR)	3,977,081
Mariner Financial Ltd (MFI)	1,974,080
McMillan Shakespeare Ltd (MMS)	3,372,286
Melbourne IT Ltd (MLB)	3,166,925
Monadelphous Group Ltd (MND)	1,638,000
News Corp (NWS)	2,201,500
NewSat Ltd (NWT)	2,328,320
Oil Search Ltd (OSH)	1,232,000
Over Fifty Group Ltd (OFG)	1,283,585
Photon Group Ltd (PGA)	3,737,207
Rattoon Holdings Ltd (RTN)	3,149,361
Rebel Sport Ltd (REB)	2,340,518
Reckon Ltd (RKN)	4,663,398
Reef Casino Trust (RCT)	1,400,253
Reverse Corp Ltd (REF)	3,748,732
SAI Global Ltd (SAI)	1,960,000
Select Harvests Ltd (SHV)	3,584,130
Service Stream Ltd (SSM)	2,014,717
Tassal Group Ltd (TGR)	2,212,259
Timbercorp Ltd (TIM)	3,038,000
Tower Australia Ltd (TAL)	1,620,828
Wotif.com Holdings Ltd (WTF)	1,487,798

NTA before tax	199.19c*
NTA after tax and before tax on unrealised gains	194.26c*
NTA after tax	179.06c*

* Undiluted for options and before the payment of an interim dividend of 8.0 cents a share fully franked, payable on the 27 April 2007.

PERFORMANCE TABLE

	Aug 99	Sep 99	Oct 99	Nov 99	Dec 99	Jan 00
Gross Portfolio *	+1.4%	+5.1%	+4.1%	+11.0%	+4.9%	-2.0%
All Ordinaries Accum.	-1.9%	-1.7%	+0.5%	+5.9%	+3.7%	-1.8%
	Feb 00	Mar 00	Apr 00	May 00	Jun 00	Jul 00
Gross Portfolio *	+5.4%	+5.3%	-5.7%	-2.9%	+3.6%	+2.9%
All Ordinaries Accum.	+1.6%	+0.5%	-1.5%	-1.3%	+7.7%	-1.3%
	Aug 00	Sep 00	Oct 00	Nov 00	Dec 00	Jan 01
Gross Portfolio *	+5.2%	-0.7%	+2.5%	+1.9%	+0.1%	+1.7%
All Ordinaries Accum.	+1.7%	+0.2%	-1.1%	+1.1%	-2.0%	+4.4%
	Feb 01	Mar 01	Apr 01	May 01	Jun 01	July 01
Gross Portfolio *	-0.2%	- 3.7%	+3.9%	+6.7%	+6.9%	-1.0%
All Ordinaries Accum.	-0.2%	- 4.8%	+5.7%	+1.6%	+3.8%	-4.5%
	Aug 01	Sep 01	Oct 01	Nov 01	Dec 01	Jan 02
Gross Portfolio *	+4.6%	-2.9%	+8.6%	+3.8%	+3.3%	+7.0%
All Ordinaries Accum.	-1.3%	-6.7%	+6.8%	+3.4%	+2.7%	+1.3%
	Feb 02	Mar 02	Apr 02	May 02	Jun 02	Jul 02
Gross Portfolio *	+3.1%	+4.9%	-0.4%	+0.7%	-2.2%	-3.0%
All Ordinaries Accum.	-1.1%	+0.8%	-1.8%	+0.9%	-4.4%	-4.1%
	Aug 02	Sep 02	Oct 02	Nov 02	Dec 02	Jan 03
Gross Portfolio *	+3.9%	-1.1%	+1.1%	+1.6%	+1.5%	+1.3%
All Ordinaries Accum.	+1.8%	-4.1%	+2.6%	+1.5%	-1.5%	-1.3%
	Feb 03	Mar 03	Apr 03	May 03	Jun 03	Jul 03
Gross Portfolio *	-1.7%	-0.4%	+3.8%	+1.5%	+3.5%	+3.6%
All Ordinaries Accum.	-5.1%	+3.4%	+4.4%	+0.5%	+1.3%	+3.6%
	Aug 03	Sept 03	Oct 03	Nov 03	Dec 03	Jan 04
Gross Portfolio *	+5.2%	+3.7%	+5.4%	-0.7%	+3.6%	+2.5%
All Ordinaries Accum.	+3.5%	-0.1%	+3.5%	-2.1%	+3.7%	-0.7%
	Feb 04	Mar 04	Apr 04	May 04	Jun 04	Jul 04
Gross Portfolio *	+2.7%	+0.1%	-1.3%	-0.8%	+1.0%	+2.4%
All Ordinaries Accum.	+3.1%	+2.0%	-0.1%	+1.6%	+2.7%	+0.6%
	Aug 04	Sep 04	Oct 04	Nov 04	Dec 04	Jan 05
Gross Portfolio *	+1.2%	+2.5%	+2.9%	+3.3%	+0.7%	+2.7%
All Ordinaries Accum.	+1.1%	+3.8%	+3.1%	+4.6%	+3.0%	+1.3%
	Feb 05	Mar 05	Apr 05	May 05	Jun 05	Jul 05
Gross Portfolio *	-0.2%	-0.8%	-4.2%	+0.0%	+2.8%	+2.2%
All Ordinaries Accum.	+1.8%	-0.7%	-3.8%	+3.4%	+4.5%	+2.8%
	Aug 05	Sep 05	Oct 05	Nov 05	Dec 05	Jan 06
Gross Portfolio *	+4.0%	+2.7%	+0.1%	+3.1%	+0.8%	+1.6%
All Ordinaries Accum.	+2.2%	+4.8%	-3.8%	+4.4%	+3.0%	+3.7%
	Feb 06	Mar 06	Apr 06	May 06	Jun 06	Jul 06
Gross Portfolio *	+4.9%	+5.3%	+2.1%	-2.3%	+0.5%	+0.4%
All Ordinaries Accum.	+0.7%	+4.8%	+2.4%	-4.3%	+1.9%	-1.5%
	Aug 06	Sep 06	Oct 06	Nov 06	Dec 06	Jan 07
Gross Portfolio *	+3.4%	+2.4%	+4.7%	+3.6%	+6.1%	+3.8%
All Ordinaries Accum.	+3.2%	+1.3%	+4.8%	+2.5%	+3.6%	+2.0%
	Feb 07	Mar 07	Apr 07	May 07	Jun 07	Since Inception
Gross Portfolio *						+497.0%
All Ordinaries Accum.						+161.2%

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