

WAM CAPITAL LIMITED

(ACN 086 587 395)



WAM CAPITAL JUNE 2007 INVESTMENT UPDATE & NTA

Since inception in August 1999 WAM Capital Ltd (WAM) has outperformed the overall sharemarket. WAM's portfolio (before all fees, costs, taxes and dividend) has increased by 577.7% compared to a 191.3% increase in the All Ordinaries Accumulation Index.

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

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

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

MARKET OUTLOOK

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

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

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

DIVIDEND

The interim dividend of 8.0 cents a share fully franked was paid on the 27 April 2007.

OPTIONS ISSUE

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

As at the 10th July, 17,839,970 options have been exercised for a total consideration of \$32,111,949 with a remaining balance of outstanding options being 50,370,801.

PORTFOLIO STRUCTURE & STRATEGY

As at 30 June 2007, listed securities made up approximately 73.8% of the portfolio, while fixed interest and cash made up the remaining 26.2%. We continue to focus on companies with strong earnings per share growth, trading on attractive earnings multiples, are well positioned in growth industries and have proven management. We continue to research heavily to find companies that meet this profile.

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

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

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

PERFORMANCE TABLE

	Aug 99	Sep 99	Oct 99	Nov 99	Dec 99	Jan 00
Gross Portfolio *	+1.4%	+5.1%	+4.1%	+11.0%	+4.9%	-2.0%
All Ordinaries Accum.	-1.9%	-1.7%	+0.5%	+5.9%	+3.7%	-1.8%
	Feb 00	Mar 00	Apr 00	May 00	Jun 00	Jul 00
Gross Portfolio *	+5.4%	+5.3%	-5.7%	-2.9%	+3.6%	+2.9%
All Ordinaries Accum.	+1.6%	+0.5%	-1.5%	-1.3%	+7.7%	-1.3%
	Aug 00	Sep 00	Oct 00	Nov 00	Dec 00	Jan 01
Gross Portfolio *	+5.2%	-0.7%	+2.5%	+1.9%	+0.1%	+1.7%
All Ordinaries Accum.	+1.7%	+0.2%	-1.1%	+1.1%	-2.0%	+4.4%
	Feb 01	Mar 01	Apr 01	May 01	Jun 01	July 01
Gross Portfolio *	-0.2%	- 3.7%	+3.9%	+6.7%	+6.9%	-1.0%
All Ordinaries Accum.	-0.2%	- 4.8%	+5.7%	+1.6%	+3.8%	-4.5%
	Aug 01	Sep 01	Oct 01	Nov 01	Dec 01	Jan 02
Gross Portfolio *	+4.6%	-2.9%	+8.6%	+3.8%	+3.3%	+7.0%
All Ordinaries Accum.	-1.3%	-6.7%	+6.8%	+3.4%	+2.7%	+1.3%
	Feb 02	Mar 02	Apr 02	May 02	Jun 02	Jul 02
Gross Portfolio *	+3.1%	+4.9%	-0.4%	+0.7%	-2.2%	-3.0%
All Ordinaries Accum.	-1.1%	+0.8%	-1.8%	+0.9%	-4.4%	-4.1%
	Aug 02	Sep 02	Oct 02	Nov 02	Dec 02	Jan 03
Gross Portfolio *	+3.9%	-1.1%	+1.1%	+1.6%	+1.5%	+1.3%
All Ordinaries Accum.	+1.8%	-4.1%	+2.6%	+1.5%	-1.5%	-1.3%
	Feb 03	Mar 03	Apr 03	May 03	Jun 03	Jul 03
Gross Portfolio *	-1.7%	-0.4%	+3.8%	+1.5%	+3.5%	+3.6%
All Ordinaries Accum.	-5.1%	+3.4%	+4.4%	+0.5%	+1.3%	+3.6%
	Aug 03	Sept 03	Oct 03	Nov 03	Dec 03	Jan 04
Gross Portfolio *	+5.2%	+3.7%	+5.4%	-0.7%	+3.6%	+2.5%
All Ordinaries Accum.	+3.5%	-0.1%	+3.5%	-2.1%	+3.7%	-0.7%
	Feb 04	Mar 04	Apr 04	May 04	Jun 04	Jul 04
Gross Portfolio *	+2.7%	+0.1%	-1.3%	-0.8%	+1.0%	+2.4%
All Ordinaries Accum.	+3.1%	+2.0%	-0.1%	+1.6%	+2.7%	+0.6%
	Aug 04	Sep 04	Oct 04	Nov 04	Dec 04	Jan 05
Gross Portfolio *	+1.2%	+2.5%	+2.9%	+3.3%	+0.7%	+2.7%
All Ordinaries Accum.	+1.1%	+3.8%	+3.1%	+4.6%	+3.0%	+1.3%
	Feb 05	Mar 05	Apr 05	May 05	Jun 05	Jul 05
Gross Portfolio *	-0.2%	-0.8%	-4.2%	+0.0%	+2.8%	+2.2%
All Ordinaries Accum.	+1.8%	-0.7%	-3.8%	+3.4%	+4.5%	+2.8%
	Aug 05	Sep 05	Oct 05	Nov 05	Dec 05	Jan 06
Gross Portfolio *	+4.0%	+2.7%	+0.1%	+3.1%	+0.8%	+1.6%
All Ordinaries Accum.	+2.2%	+4.8%	-3.8%	+4.4%	+3.0%	+3.7%
	Feb 06	Mar 06	Apr 06	May 06	Jun 06	Jul 06
Gross Portfolio *	+4.9%	+5.3%	+2.1%	-2.3%	+0.5%	+0.4%
All Ordinaries Accum.	+0.7%	+4.8%	+2.4%	-4.3%	+1.9%	-1.5%
	Aug 06	Sep 06	Oct 06	Nov 06	Dec 06	Jan 07
Gross Portfolio *	+3.4%	+2.4%	+4.7%	+3.6%	+6.1%	+3.8%
All Ordinaries Accum.	+3.2%	+1.3%	+4.8%	+2.5%	+3.6%	+2.0%
	Feb 07	Mar 07	Apr 07	May 07	Jun 07	Since Inception
Gross Portfolio *	+0.4%	+1.9%	+2.6%	+4.7%	+3.3%	+577.7%
All Ordinaries Accum.	+1.6%	+3.3%	+3.0%	+3.2%	-0.1%	+191.3%

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