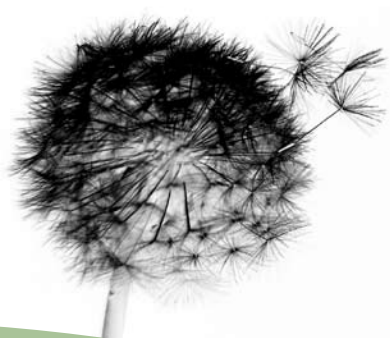


Issue Two **December 2009**

WAM Active Limited (WAA)

# newsletter

ABN 49 126 420 719



## In this issue

- 02** The Board's vision for the future

---

- 03** Market wrap for December half

---

- 04** Investment Objectives and Process

---

- 06** Dividends

---

- 06** What is a Listed Investment Company?

---

- 07** Performance

---

- 08** A closer look at two of our Market Driven stocks

---

- 10** Portfolio Summary as at 31 December 2009

---

# Welcome to our

Investor Newsletter for the six months to 31 December 2009. One of our objectives is to continuously communicate with our shareholder base. This report, together with our six monthly road shows, monthly NTA announcements and general information on our website will give you more of an insight into our investment process and provide you with some commentary on the market. We encourage you to visit our website [www.wilsonassetmanagement.com.au](http://www.wilsonassetmanagement.com.au) and listen to regular audio casts.

We hope you enjoy this edition of our Investor Newsletter and encourage your feedback as to its content via email [info@wami.com.au](mailto:info@wami.com.au)

**Geoff Wilson**  
**Chairman**  
**WAM Active Limited**

# The Board's vision for the future

WAA's assets are currently \$20.8 million, which is less than we planned. This was primarily as a result of the IPO occurring during the Global Financial Crisis.

It has now been two years since WAA was launched and the results have been pleasing. Pre-tax NTA has grown to 127.9 cents a share while the market has fallen 19.4%.

We believe that our trading approach combined with the flexible structure of WAA allow us to significantly grow the size of the company in the years ahead. The Board and Manager believe WAA can grow to a market capitalisation of \$100 million in the next five years, and continue to generate strong results. A larger company is helpful to shareholders in many ways, including:

- reducing costs per dollar of shareholder funds because of economies of scale;
- increased liquidity; and
- an improvement in the relativities between the share price and asset backing.

There are obviously a number of ways to increase the size of WAA:

- 1) The first, which we have achieved to date, is to perform strongly. The NTA per share has increased from \$0.98 at the time of launch in January 2008 to \$1.28 at the end of December 2009.
- 2) The second, is to have a consistent and growing income stream to shareholders in the form of fully franked dividends, and from time-to-time paying special dividends. To this end you will note that we paid our first dividend of 2.0 cents in July 2009 and have recently declared an interim fully franked dividend of 3.0 cents per share payable on 26 February 2010. We hope to continue this encouraging start.
- 3) The third, is to increase the capital base of the company. Our preferred means of increasing the capital base is through the issue of options to all shareholders, which would be tradeable on the ASX. This in turn means that all shareholders can decide individually whether to sell their options, exercise their options or let them lapse – to cater for their personal circumstances.

So what should your expectations be for capital raisings over the medium term – say the next five years?

Outside of achieving good performance and providing a consistent and growing dividend stream, we intend to achieve this by having a number of option issues. These issues over the next five years, will depend on market conditions.

Our expectation is to announce an option issue in the near term, then another option issue in 2012 expiring in 2013 and a subsequent issue in 2014 expiring in 2015. As mentioned above, all options issued will be listed on the ASX, allowing all shareholders to participate in a way that best suits their circumstances.

Depending on the market conditions and the investment performance, we are confident these initiatives will help position WAA very favourably.

## Market wrap for December half

The December half has been a stellar one for the Australian share market, coming on top of a fierce rally from the market bottom on March 6, 2009.

At the time of writing this report, the benchmark S&P/ASX All Ordinaries Index has risen 24.8 per cent since June 30, 2009. Importantly, the half has been marked by two vastly differing quarters with all the gains coming in the three months to September 2009. Since then the market has tracked sideways, posting the longest pause to the upward march of the market since early March. It was only in the last week of the December quarter the market broke its malaise, staging a late Christmas rally.

The rise in share prices can be attributed to a brighter economic outlook both here and globally. During the early part of the rally many investors remained skeptical of the economic recovery following the catastrophe of the credit crunch during 2008. By mid 2009 though more investors started to believe the recovery story and raced to deploy cash into the share market. This resulted in a powerful period from July through to mid-October. In mid-October the Australian share market stalled while the US market has continued to climb higher, increasing by approximately 10 per cent during the December 2009 quarter. Why has the Australian market underperformed during the last three months? This is a difficult question to answer. The general consensus is that Australia has one of the best performing economies in the world with an impressive outlook. This may be true but share markets attempt to price in the future and this is where interest rates become extremely important.

The Reserve Bank of Australia (RBA) surprisingly raised interest rates in October by 25 basis points, followed by the same sized increases in November and December. At the time many investors were caught off guard given the Reserve Bank was moving rates higher well ahead of its colleagues in the US and Europe and well before a full recovery in the domestic economy had taken hold. The Reserve Bank has been keen to move rates back to a more normal level after slashing the cost of funds in 2008 to cope with the global banking crises. Since that initial move in October investors have marginally quelled their enthusiasm for equities. The great question now is how high will the RBA lift official rates? Economists have gone from predicting that rates will remain at historic lows for a protracted period to saying official rates will move higher through the course of 2010 to sit at around 5 or 5.25 per cent this time next year. We believe this might be too negative and rates will eventually rest at around 4.5 per cent for some time.

Another question investors are pondering is when the US will look to increase rates. As the economic recovery continues to gather momentum in the world's biggest economy it seems that a rate rise may well happen by mid 2010 which is well ahead of original forecasts. Rising interest rates are normally poor for equities because they slow economic activity 9 to 12 months down the track. It is only when it becomes clear to investors how high rates will go, does buying support for equities reappear.

The sideways movement in share prices in Australia over the last three months has also coincided with valuations going from 20 year lows to above the long term average. In other words investors have already begun to price in an earnings recovery that is expected to take place in 2010 and 2011.

*“In mid-October Australian share market stalled while the US market has continued to climb higher, increasing by approximately 5 per cent during the December, 2009 quarter.”*

With rates moving higher and valuations no longer cheap, we would expect the Australian market to grind higher in the first part of 2010 before possibly trading down during the second half of the calendar year. Many will argue this is too pessimistic, however it also overlays with our belief that markets around the globe will struggle to move considerably higher during the next two to three years. History tells us that when markets reach a multi-year high, as was the case in November 2007, it takes at least five years to get back to that high. This time may be different, however, with rates on the upward march we believe that equity prices need to consolidate before a clearer and more consistent move higher can take place.

## Investment Objectives & Process

*“These strategies are undertaken from detailed monitoring of both primary and secondary market activity, in particular monitoring new capital raisings and corporate activity.”*

The investment objectives of WAM Active Limited (WAA) are as follows:

- preserve capital over most periods of time; and
- provide investors with a positive return, after fees, over most periods of time; and
- deliver investors a regular income stream in the form of fully franked dividends.

To achieve these objectives, the Company aims to take advantage of relative short term arbitrages and mispricings in the Australian equities market, rather than investing in any individual companies or portfolio of companies for a prolonged period of time. This is referred to as our “Market Driven process.”

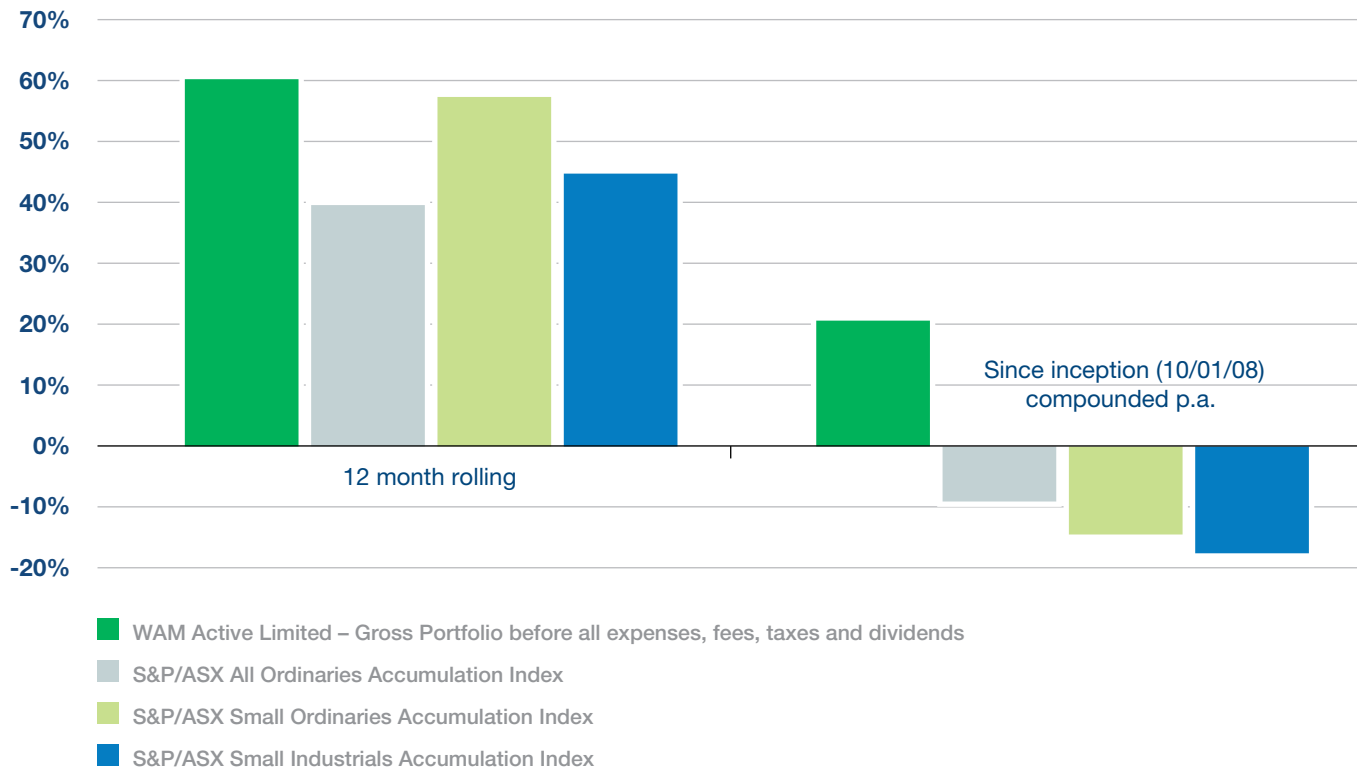
WAA has contracted MAM Pty Limited as Manager to achieve these objectives. The various strategies employed by MAM Pty Limited to fulfil its mandate include:

- participating in initial public offerings, placements, rights issues and underwritings where the immediate valuation upside appears favourable;

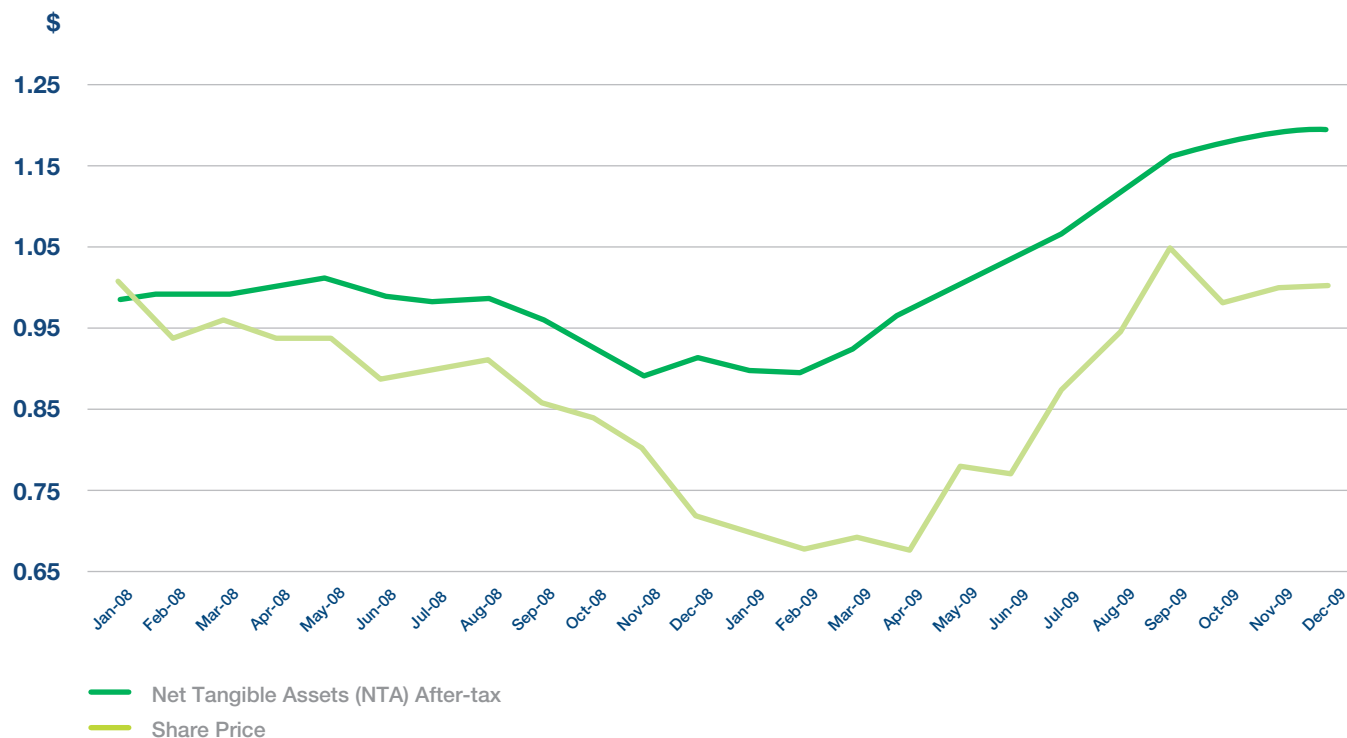
- participating in block trades which are below market values because of time constraints;
- participating in takeovers, mergers, schemes of arrangement and corporate spin-offs which appear favourably priced;
- trading oversold positions;
- short selling and option trading opportunities;
- taking advantage of listed investment company discount arbitrages; and
- trading opportunities which will deliver acceptable risk adjusted return.

These strategies are undertaken from detailed monitoring of both primary and secondary market activity, in particular monitoring new capital raisings and corporate activity. In addition, the Manager undertakes regular research, meetings and discussions with various companies listed on the Australian Securities Exchange to identify opportunities.

### WAM Active Limited Versus S&P/ASX All Ordinaries Accumulation Index, S&P/ASX Small Ordinaries Accumulation Index and S&P/ASX Small Industrials Accumulation Index to 31 December 2009



### NTA & Share Price History



## Dividends

On 20 July 2009 WAA paid its maiden fully franked dividend of 2.0 cents per share and on the 27 January 2010 the Directors declared an interim fully franked dividend of 3.0 cents per share payable on 26 February 2010.

The board is committed to paying an increasing stream of fully franked dividends to shareholders over time. A dividend can only be paid if the Company has sufficient profits or retained earnings.

WAA derives its profits from the gains, dividends and interest income it receives from the investments held in its portfolio. Both realised and unrealised gains on investments flow through the profit and loss account of the company due to WAA being classified as a trader for tax purposes.

A trader's retained earnings will go up and down with performance and profits. For example, WAA may buy a company's share for \$1.00 a share. That company's share price may rise to \$2.00 in the first year of ownership. A profit will be booked regardless of whether

the shares are sold or not. The following year the shares fall back to \$1.00 and a loss is recorded whether the share is sold or not. This scenario would wipe out any retained earnings, preventing a trader from paying any dividends.

Applying this example to WAA, if retained earnings are wiped out because of a drop in the portfolio value then the Funds ability to pay a dividend is removed in that period.

A trader like WAA may enjoy profits for many years and in that time has the ability to pay dividends. One or two years of a bear market and poor fund performance when the portfolio drops in value may see no dividend paid.

Importantly, the Federal Government has initiated a review on how Australian companies pay dividends. The

Government is looking to align local policy with other western countries and allow companies to pay dividends based on solvency rather than earnings in a given year. This, if passed into legislation, would allow listed investment companies that are viewed as traders for tax purposes, far greater certainty about future dividends. In other words, if a company had negative retained earnings in a given year but was solvent it could still pay a dividend to shareholders. This would be a positive move for WAA and we look forward to the outcome.

## What is a Listed Investment Company?

A Listed Investment Company (LIC) is a closed end pool of capital that invests in the stock market.

By closed end we mean that if an investor wants to leave the fund, he or she sells shares to another investor coming into the company rather than withdrawing money from the fund. Effectively, no money leaves the fund and only the shareholding changes.

We believe that a closed end fund is a superior structure to managed fund/unit trust structures. With closed end funds or LIC's, the manager of the fund does not have to sell stocks in the portfolio to raise cash for a departing investor. That means investment decisions are based on the fundamentals of the companies the manager invests in, rather than money flow via redemptions.

Most other funds, like managed funds and mutual funds, are open ended. This means that when an investor wants to leave the fund the manager is forced to liquidate stocks to finance the

redemption. This places pressure on the manager who has to put fundamental investing to the side while he or she manages the cash flows.

Invariably, most investors depart a fund when stocks have fallen significantly, which historically has proven to be the best time to buy. This means the manager may have to sell companies which they believe represent good value.

At the other end of the scale, most money pours into the market and open end funds, when stock prices are soaring in a bull market. The manager may then be forced to buy companies at inflated prices. As has proven the case recently, this type of momentum investing can cause a serious destruction of capital when the bull market ends and is replaced by a bear market.

As a LIC is a closed end fund it does not have any of these problems which can be of significant advantage and benefit to the investor.

LIC's are unique investment vehicles because they can trade at a discount or premium to the assets that they own. When investors want to take their money out of LIC's, selling may result in the share price falling below the value of its assets (or NTA). We refer to this as trading at a discount to NTA. This can provide a great buying opportunity. On the other hand, when investors are buying shares in LIC's, the share price may trade higher than the value of the assets it owns (or NTA). This is referred to as trading at a premium to NTA. This can provide a selling opportunity.

# Performance

WAA has enjoyed a strong performance in the six months to December 31, 2009. The fund posted a gross return of 28.8 per cent compared to a rise of 21.5 per cent for the All Ordinaries Accumulation index. This was achieved by holding an average cash position of approximately 25 per cent for the period.

The first three months of the half were characterised by a string of capital raisings at reasonable discounts as companies throughout Australia continued to recapitalise their balance sheets following the Global Credit Crises of 2008. This period also saw the emergence of several takeovers in the Australian market which had not really been apparent since early 2008. WAA participated in some of these and took a large position in target company Lion Nathan which delivered a solid return and a major fully franked special dividend. Franking is always important to WAA given the philosophy of paying out a steady stream of franked dividends.

The second three months of the half has seen a different story unfold with the market struggling to move higher.

This has resulted in WAA adopting a slightly different approach. The quality of capital raisings has declined and we have been more selective in what we have participated in. We have continued to participate in takeover arbitrages and more recently we have sought out shorting opportunities as expectations about future earnings for companies have become overly bullish.

We believe the next 6 to 12 months will prove difficult for the market to move significantly higher. This means that we will continue to seek out various trading opportunities which are always present in the market. Importantly, we will revert to cash if no such situations prevail. This is consistent with our objective of preserving the capital of the shareholders.



## Performance



## A closer look at two of our Market Driven stocks

### Polaris Metals

Polaris Metals (ASX: POL) is an aspiring iron ore producer with a pipeline of high quality development projects and exploration targets across more than 5000km<sup>2</sup> of tenement holdings in Western Australia.



The trade for WAA was a classic takeover play where two parties were fighting over the asset with several counterbids. We would expect over the next 12 months that this type of merger and acquisition activity will continue in the market across all sectors.

Polaris Metals (ASX Code: POL) was subject to an initial takeover bid from Mineral Resources (ASX Code: MIN) back in August 2009. The offer was an all scrip offer with Mineral Resources offering 1 of its shares for every 12.5 Polaris shares implying a value of \$0.38 at the time, a 26% premium to the Polaris share price. At the same time Mineral Resources gained the support of Polaris major shareholder Heron Resources who owned 19.9% of Polaris.

In early October the counterbid came from Polaris's other major shareholder Lion-Asia Resources of \$0.60 all cash. Lion-Asia Resources already owned 25.4% of Polaris. This effectively started the bidding war and the time when we initiated our position for WAA at \$0.62. The market was pricing Polaris on the expectation of a higher bid with the share price trading above both parties' bids. We expected the bidding war to continue with both parties in a stale mate with regards to gaining full control of Polaris Metals.

Our suspicions were confirmed just over a week later when Mineral Resources increased its offer to 1 Mineral Resources share for every 12 Polaris shares plus \$0.05 implying a value of \$0.65 a share for Polaris. We were surprised at the level of this bid at the time expecting a knock out bid. This revised bid was by no means at that level. The Polaris share price continued to trade at a premium to the Mineral Resources offer. This is rare in takeovers of this type. The majority of the time the shares would trade at a discount, especially given that a large part of the deal was MIN scrip. All cash bids are generally viewed more favourably.

The bidding war continued a day later on the 16 October when Lion-Asia Resources increased its all cash bid to \$0.70 from its previous offer of \$0.60. The stale mate continued with Mineral Resources controlling 31.5% compared to Lion-Asia Resources of 25.4%. Something had to give. After further research we realised the significant upside to Mineral Resources if they obtained control of Polaris. We took this opportunity to further increase our holding in Polaris at this time when it became apparent that somehow an agreement would need to be reached between the two parties.

Only a few weeks later on 11 November 2009, Mineral Resources once again increased its offer to 1 Mineral Resources share for every 10 POL shares and \$0.05 cash which implied a value of \$0.747 per share. This represented a 97% premium to the implied price when it first bid \$0.38. Polaris was still up for grabs in our eyes with the cash bid of \$0.70 perhaps more attractive than MIN scrip at only

a slightly higher price. This was by no means a knock out bid which we had been expecting as it was clear to us that Mineral Resources wanted the asset.

On 23 November 2009, Mineral Resources increased its bid again to 1 Mineral Resources share for 10 Polaris shares plus \$0.10 which implied a POL share price of \$0.813. Mineral Resources had 32% of Polaris at the time, it needed 50.1% to declare the offer unconditional and gain control.

In the weeks following, Polaris shareholders continued to accept the Mineral Resources offer. They finally gained control on 14 December 2009 when they surpassed the 50.1% needed. At the time of writing Mineral Resources own 65.2% of Polaris Metals. WAA has accepted the MIN bid and we have sold at an implied value for POL of \$0.80.

#### A list of events can be seen in the table below:

Date	Event
20/08/09	Mineral Resources bid 1 MIN share for 12.5 POL shares, implied value \$0.38
01/10/09	Heron Resources (POL major shareholder) accept MIN bid
02/10/09	MIN have 22.3% of POL
06/10/09	Lion-Asia Resources bid \$0.60 cash for POL, have 25.4% holding in POL
15/10/09	Mineral Resources increase bid 1 MIN for 12 POL shares plus \$0.05 cash
16/10/09	Lion-Asia Resources increase bid to \$0.70 a share for POL
19/10/09	Mineral Resources have 31.5% of POL, Lion-Asia have 25.4%
11/11/09	Mineral Resources increase bid 1 MIN for 10 POL shares plus \$0.05, implied value \$0.747 POL
12/11/09	Polaris board recommends Mineral Resources bid
23/11/09	Mineral Resources bid 1 MIN share for 10 POL shares plus \$0.10 cash, implied value \$0.813 POL
03/12/09	Lion-Asia bid declared free of all conditions
14/12/09	Mineral Resources gain control of POL with 51.3%, offer declared unconditional

## Newcrest Mining Limited

From time to time we look for stocks to short sell. The objective here is to profit from a decline in a company's share price.



To short sell a stock you must borrow the shares of the company from someone that already owns them. Once you have borrowed the stock you can sell the shares with the aim of them falling. Sometime into the future you can buy back these shares on the market, allowing you to give back the shares you borrowed to the original owner.

This sounds confusing but in simple terms you borrow a share and sell it in the market at \$1.00. If the trade works, the stock falls and you are able to buy it back at 50c a share, locking in a profit of 50c a share.

Traditionally, we will only short a share if we believe that company is experiencing difficult times or if we believe a sector may be overvalued. We tend not to short sell stocks across the board if we believe the market is overvalued. When we think the market is set to decline we move towards cash to preserve capital.

More recently, we have short sold three companies for various reasons. The one I would like to talk about is Australia's biggest gold producer Newcrest Mining Limited (ASX: NCM). Newcrest has a market capitalisation of approximately \$17.5 billion and owns some of the

nation's largest gold mines in the form of Telfer and Cadia Hill. The stock has enjoyed a strong performance in recent years, outperforming the All Ordinaries benchmark index by approximately 45 per cent as the gold price hit new all time highs of more than \$US1,200 an ounce.

As the gold price surged to a new high during 2009 on the back of a falling \$US dollar, investors pushed NCM's valuation to more than three times book value and a price to earnings ratio of more than 30 times forecast earnings. Usually, Australian gold stocks trade at around two times book value. These kind of heady valuations are usually placed on resource stocks when prices for the underlying commodity are at cyclical lows in the expectation that the commodity price will revert back towards its long term average. On this occasion, NCM had reached a high valuation when gold was at its historical peak price. A dangerous situation.

To make it clear, we do not believe it is advantageous to short stocks simply because they look expensive. We believe this is a dangerous approach and can prove to be an expensive mistake. However, we do believe that if the

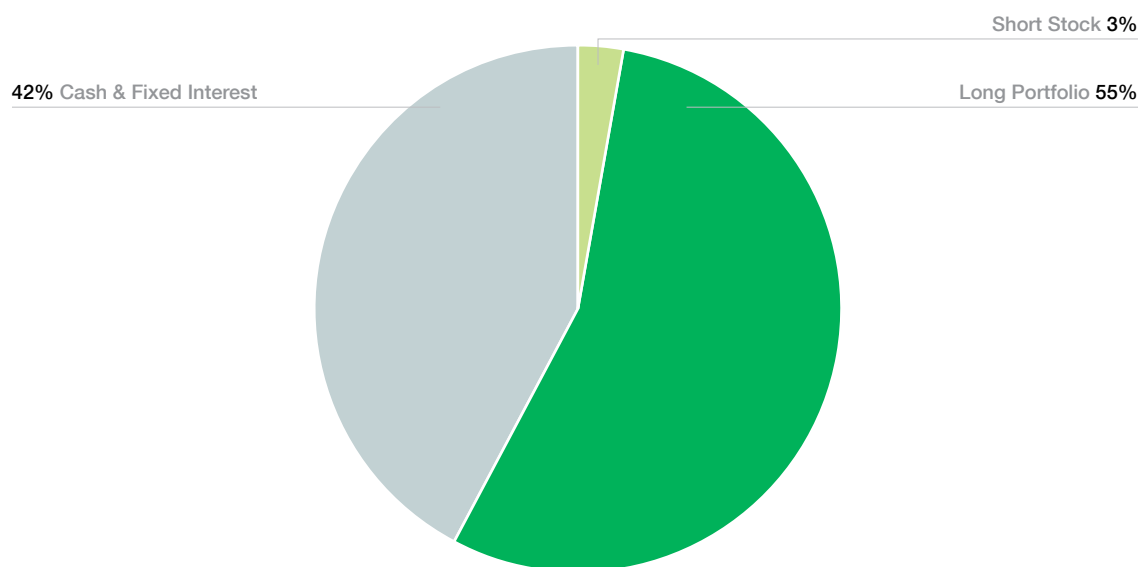
fundamentals change for the company or the industry, it may be profitable to short a stock.

In the case of Newcrest, we believe the fundamentals have begun to deteriorate with investor support for gold losing momentum. Over the past year, investors around the globe have been very keen to buy gold and sell a declining \$US dollar. The idea is that gold is a safe storage of wealth when the major currency of the world is falling. This trend has been in place for many months now with gold rising 68 per cent from October 2008 to December, 2009. More recently, the \$US dollar has begun to rally and the gold price has fallen more than 7 per cent in two weeks. We believe the gold bubble may have burst and that a fundamental change has occurred in the industry. We shorted Newcrest at \$34.97 and at the time of writing this report it is trading 2.7 per cent lower at \$34.03.

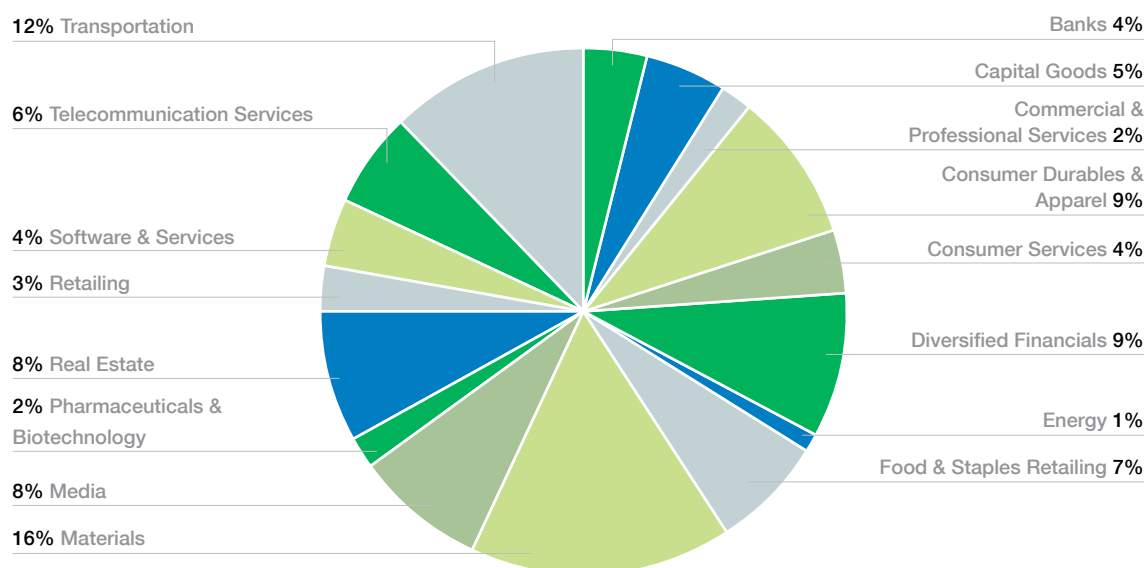
If the gold price does rally and move to new highs, we would look to buy back the NCM we have sold and close out the position. Conversely, we are likely to keep the trade in place while ever the gold price continues to decline from its recent record levels.

# Portfolio Summary as at 31 December 2009

## Portfolio Asset Allocation



## Long Portfolio Sector Allocation



## Top Trading Stocks as at 31 December 2009

ASX Code	Company Name	Sector	Market Value \$m	% of Gross Assets
MCP	McPherson's Limited	Consumer Durables & Apparel	1.0	4.6%
VBA	Virgin Blue Holdings Limited	Transportation	0.5	2.5%
TOL	Toll Holdings Limited	Transportation	0.5	2.5%
FXL	FlexiGroup Limited	Diversified Financials	0.5	2.2%
WES	Wesfarmers Limited	Food & Staples Retailing	0.5	2.2%
QAN	Qantas Airways Limited	Transportation	0.4	2.0%
RHG	RHG Limited	Banks	0.4	1.9%
TEN	Ten Network Holdings Limited	Media	0.4	1.9%
MTS	Metcash Limited	Food & Staples Retailing	0.4	1.8%
TLS	Telstra Corporation Limited	Telecommunication Services	0.4	1.7%

## Best Performing Stocks for the current financial year

ASX Code	Company Name	Sector	Unrealised/ Realised Gains
MCP	McPherson's Limited	Consumer Durables & Apparel	\$528,062
FXL	FlexiGroup Limited	Diversified Financials	\$337,681
VBA	Virgin Blue Holdings Limited	Transportation	\$311,674
FKP	FKP Property Group	Real Estate	\$295,814
NAB	National Australia Bank Limited	Banks	\$248,765
TPM	Tpg Telecom Limited	Telecommunication Services	\$226,521
OKN	Oakton Limited	Software & Services	\$211,126
CCP	Credit Corp Group Limited	Commercial & Professional Services	\$200,628
PBG	Pacific Brands Limited	Retailing	\$123,474
SRX	Sirtex Medical Limited	Pharmaceuticals & Biotechnology	\$109,865

## Worst Performing Stocks for the current financial year

ASX Code	Company Name	Sector	Unrealised/ Realised Losses
MVU	MatrixView Limited	Software & Services	(\$68,521)
PIH	Prime Infrastructure Group (previously BBI)	Utilities	(\$68,139)
WOR	WorleyParsons Limited	Energy	(\$41,855)
BAU	Bauxite Resources Limited	Materials	(\$40,280)
EFG	Everest Financial Group Limited	Diversified Financials	(\$40,269)
SGN	STW Communications Group Limited	Media	(\$32,465)
CAH	Catalpa Resources Limited	Materials	(\$29,750)
TLS	Telstra Corporation Limited	Telecommunication Services	(\$18,098)
MCC	MacArthur Coal Limited	Materials	(\$17,771)
PRY	Primary Health Care Limited	Health Care Equipment & Services	(\$16,283)



Wilson Asset Management is an independently owned boutique investment manager established in November 1997 by Geoff Wilson and joined by Matthew Kidman in mid 1998. Wilson Asset Management is based in Sydney, Australia.

The Wilson Asset Management Group (WAM Group) employs three investment professionals who have a total investment experience of over 40 years. The members of the WAM Group include Chris Stott, Kate Thorley, Deanne Gray and Mary-Ann Parker.

At December 2009, the WAM Group was the manager of three listed investment companies with funds under management of approximately \$330 million. The group also manages an unlisted fund.

In August 1999 the first of the three listed companies, WAM Capital Limited (WAM), was established and has grown from \$21.5 million to approximately \$145 million today. WAM focuses on investing in small to medium sized companies listed on the Australian Securities Exchange for the short to medium term.

In August 2003 the second listed investment company, Wilson Investment Fund Limited (WIL), was established with approximately \$161.3 million raised. WIL focuses on investing in small to medium sized companies listed on the Australian Securities Exchange for the long term.

WAM Active Limited (WAA) is the most recent addition to the group which was listed on 10 January 2008 with approximately \$15 million raised. WAA is an active investor with high turnover and individual stocks may not be held for extended periods.

Information for the graphs, charts and quoted Indices contained in this document has been sourced from IRESS Market Technology and WAM Active Limited. The information in this report is only intended for Australian residents. The reports purpose is only to provide information and does not purport to give investment advice. We strongly suggest that investors consult a financial adviser prior to making any investment decision. The report does not take into account the investment objectives, financial situation or particular needs of any person and should not be used as the basis for making investment, financial or other decisions. The information is selective and may not be complete or accurate for your particular purposes and should not be construed as a recommendation to invest in any particular investment or security, or Fund offered by Wilson Asset Management. The information provided in the report is given in good faith and is believed to be accurate at the time of compilation. Neither Wilson Asset Management nor its director or employees make any representation or warranty as to the accuracy, reliability, timeliness or completeness of the information. To the extent permissible by law, Wilson Asset Management and its director and employees disclaim all liability (whether arising in contract, tort, negligence or otherwise) for any error, omission, loss or damage (whether direct, indirect, consequential or otherwise). Performance figures quoted in the report are past performance. Past performance is not an indicator of future performance. Neither Wilson Asset Management nor its director or employees guarantee or make any representation as to the performance of the Funds, the maintenance or repayment of capital, the price at which shares may trade or any particular rate of return.

#### Copyright & Trademarks

All content included in this report is protected by copyright laws. You may only use this material for your own personal reference. You must not otherwise use, reproduce, publish, modify, distribute, link, frame, transmit in any form or by any means, electronic or mechanical, for any purpose, any of the material in this report, except with the prior written permission of Wilson Asset Management. Trade marks used in this report are the property of Wilson Asset Management or third parties with which Wilson Asset Management has an association. You must not use a trade mark used in this report without the prior written consent of the owner of that trade mark.

© Wilson Asset Management Pty Ltd 2010



**WILSON**  
ASSET MANAGEMENT

#### CONTACT US

**Mr Geoff Wilson**  
**Portfolio Manager**  
T (02) 9247 6755  
M 0412 242 712

**Chris Stott**  
**Head of Research**  
T (02) 9258 4906  
M 0404 099 402

**Mr Matthew Kidman**  
**Portfolio Manager**  
T (02) 9258 4938  
M 0417 069 578

**Kate Thorley**  
**Finance Manager & Investor Relations**  
T (02) 9247 6755  
M 0405 115 644

Level 11, 139 Macquarie Street, Sydney NSW 2000  
T (02) 9247 6755 | F (02) 9247 6855 | E [info@wami.com.au](mailto:info@wami.com.au)  
[www.wilsonassetmanagement.com.au](http://www.wilsonassetmanagement.com.au)