



13 February 2012

WAM ACTIVE LIMITED
ABN 49 126 420 719
MEDIA RELEASE
RESULTS FOR HALF YEAR TO 31 DECEMBER 2011

“12.5% INCREASE IN FULLY FRANKED DIVIDEND”

Key Highlights

- 12.5% increase in the interim fully franked dividend to 4.5 cents per share. This represents an annualised fully franked dividend yield of 8.6% based on the most recent closing price.
- The gross portfolio outperformed the S&P/ASX All Ordinaries Accumulation Index by 9.9% for the 6 months to 31 December 2011.
- This outperformance was achieved with an average equity weighting of 45.9% over the last 6 months.

The strong performance of the investment portfolio against the S&P/ASX All Ordinaries Accumulation Index is set out in the table below. The performance relates to investments only and does not take into account expenses and taxes.

Gross Performance as at 31 December 2011	6 Mths %	1 Year %	2 Yrs %pa	3 Yrs %pa	Since Inception (Jan-08) %pa
WAM Active Limited	+0.3%	-0.4%	+2.9%	+19.3%	+11.3%
S&P/ASX All Ordinaries Accumulation Index	-9.6%	-11.4%	-4.3%	+8.5%	-6.6%
Outperformance	+9.9%	+11.0%	+7.2%	+10.8%	+17.9%

WAM ACTIVE LIMITED

WAM Active Limited (WAM Active) today announced an operating loss before tax for the 6 months to 31 December 2011 of \$212,670, and an after tax operating loss of \$44,644. This was a reflection of the costs being higher than the 0.3% increase in the gross performance. During the half year to 31 December 2011, the gross portfolio outperformed the S&P/ASX All Ordinaries Accumulation Index by 9.9%.

"As an absolute return fund this is a positive result given the weakness in the equity market in the last six months" said Geoff Wilson, Chairman of WAM Active.

The Board's policy of paying a growing stream of fully franked dividends when possible continued with a 12.5% increase in the interim dividend to 4.5 cents per share fully franked having been declared by the Board.

"It is pleasing to be in a position to deliver another increased dividend in what we believe has been a challenging six months" said Geoff Wilson, Chairman of WAM Active.

In the 6 months to 31 December 2011, the equity component of the Market Driven portfolio turned over 3.8 times. The most utilised strategies employed during this period were trades based on takeover arbitrages, market themes and trends and relative value arbitrages (low price to earnings multiples or discount to NTA).

Dividends

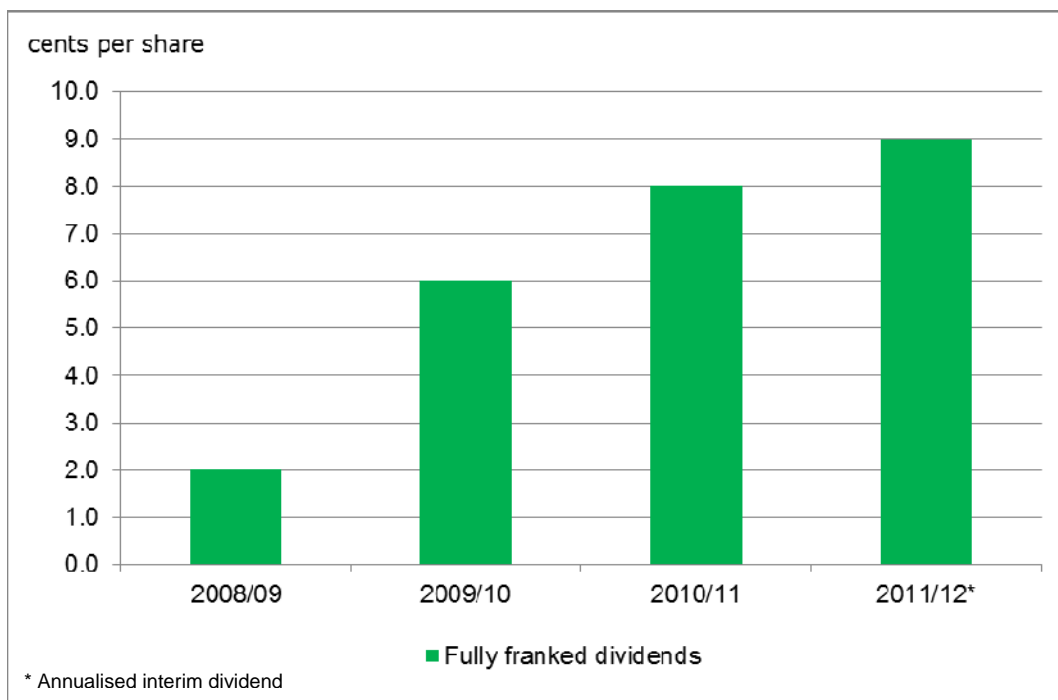
A fully franked interim dividend of 4.5 cents per share has been declared by the Board and will be paid on 24 April 2012. The shares will trade ex dividend on 11 April 2012. This is a 12.5% increase on prior year's interim dividend.

The Board is committed to paying an increasing stream of fully franked dividends to shareholders provided the Company has sufficient franking credits and it is within prudent business practices. It must also comply with Government legislation and the ATO's interpretation of a company's ability to pay franked dividends. Dividends are paid on a six-monthly basis.

Government legislation introduced in June 2010 now enables companies to pay dividends if the company is deemed solvent. Dividend payments will be made with consideration to cash flow, cash holdings, available franking credits and ability to pay franked dividends. Essentially, WAM Active will always be in a position to pay dividends providing it is solvent.

The dividend reinvestment plan will operate with a 2.5% discount. The current share price (\$1.05 being closing price 10 February 2012) is a 2.1% discount to the 31 December 2011 pre-tax NTA. To participate in the dividend reinvestment plan, please send your election to our share registrar no later than 17 April 2012.

Dividends (continued)



Net Asset Backing

The net tangible assets (NTA) on listing in January 2008 was 98.4 cents per share. Below is a table of the company's position as at 31 December 2011.

NTA before tax (cents per share)	107.23c
NTA after tax and before tax on unrealised gains (cents per share)	109.43c*
NTA after tax (cents per share)	108.32c**

* Includes tax assets of 2.20 cents per share

** Includes the net effect of 2.20 cents of tax assets and 1.11 cents of deferred tax liabilities

The above figures are after the payment of 16.0 cents a share in fully franked dividends since inception in 2008.

Performance

- The gross portfolio increased 0.3% for the 6 months to 31 December 2011, significantly outperforming the S&P/ASX All Ordinaries Accumulation Index which fell 9.6%, the S&P/ASX Small Ordinaries Accumulation Index which fell 12.3% and the S&P/ASX Small Industrials Accumulation Index which fell 10.5%.
- The after tax NTA, adjusted for dividends, decreased 0.3%. This was after the payment of 0.15 cents a share in tax during this period.
- The share price, adjusted for dividends, rose 2.5%.

These performance results were achieved while holding an average of 54.1% in cash during the 6 months to 31 December 2011.

Performance (continued)

Set out below is the investment performance of WAM Active since listing to 31 December 2011. The performance data is before all expenses, fees and taxes is used as a guide to how the company has performed against the S&P/ASX All Ordinaries Accumulation Index, which is also a before tax and expenses measure.

Financial Year	WAM Active Gross Performance	S&P/ASX All Ordinaries Accumulation Index	Outperformance
2007/2008	+2.2%	-15.2%	+17.4%
2008/2009	+9.6%	-22.2%	+31.8%
2009/2010	+22.7%	+13.8%	+8.9%
2010/2011	+11.5%	+12.2%	-0.7%
YTD2011/2012	+0.3%	-9.6%	+9.9%

Investment Process and Strategy

WAM Active's philosophy is to take advantage of relative short term arbitrages and mispricing of securities listed on the ASX, rather than investing in listed entities for a prolonged period of time. These opportunities are not limited to company size or sector. The portfolio turnover generally ranges between 5 to 10 times a year depending on the opportunities available.

WAM Active has a Market Driven investment process where we scour the market for trading opportunities. These could include participating in initial public offerings, placements, block trades, rights issues, corporate transactions (such as takeovers, mergers, schemes of arrangements), corporate spin-offs, restructurings, arbitrage opportunities, LIC discount arbitrages, relative value arbitrages and trading market themes or trends.

In a bid to preserve shareholder's capital, the Manager of WAM Active spends a significant amount of time attempting to mitigate the risk associated with trading in listed securities. The following measures are taken to implement this strategy;

- An investment in cash if no trades can be identified. On average the fund has held approximately 55.5% since listing in January 2008;
- A spread of investments;
- A strong awareness of each investee company's liquidity;
- The ability to short sell securities in a bid to profit from a decline in a company's share price; and
- A stop loss for short term trading opportunities.

Portfolio Structure

Investment Type	As at 30 June 2011		As at 31 December 2011	
	\$m	%	\$m	%
Listed Equities	7.3	39.0%	6.9	39.1%
Fixed Interest and Cash	11.4	61.0%	10.8	60.9%
Long Portfolio	18.7	100.0%	17.7	100.0%
Short Portfolio	(0.2)		(0.3)	
Total Fund Size	\$18.5m		\$17.4m	
Ordinary shares on issue	No. 16,066,653		No. 16,176,213	

At 31 December 2011 the top 20 securities held in the portfolio were:

Code	Company	Market Value \$	Market Value as % Gross Assets
SGI	Signature Capital Investments Limited*	1,448,762	8.3%
CCQ	Contango Capital Partners Limited	525,690	3.0%
MSF	Maryborough Sugar Factory Limited (The)	430,215	2.5%
BSL	Bluescope Steel Limited	391,838	2.2%
WBC	Westpac Banking Corporation	345,000	2.0%
NAB	National Australia Bank Limited	343,392	2.0%
SDG	Sunland Group Limited	337,763	1.9%
NHC	New Hope Corporation Limited	336,539	1.9%
RHG	RHG Limited	302,237	1.7%
CYG	Coventry Group Limited	211,243	1.2%
MIO	Miclyn Express Offshore Limited	189,381	1.1%
BHP	BHP Billiton Limited	180,705	1.0%
HHY	Hastings High Yield Fund	168,669	1.0%
FMS	Flinders Mines Limited	168,000	1.0%
IMFG	IMF (Australia) Ltd 10.25% Sec Red Conv Note	149,795	0.9%
EPX	Ethane Pipeline Income Fund	141,979	0.8%
FRI	Finbar Group Limited	132,750	0.8%
CLO	Clough Limited	128,467	0.7%
TGP	Trafalgar Corporate Group	124,914	0.7%
PGA	Photon Group Limited	113,563	0.6%

*We participated in the SGI buy-back with the proceeds received on 31 January 2012.

Market Outlook

The last six months have been a torrid time for equity investors with increased levels of uncertainty and volatility in equity markets, primarily stemming from the European sovereign debt crisis. However we are cautiously optimistic that 2012 will be a better year for equity markets.

The RBA cut interest rates by 0.50% in late 2011 and we believe they will loosen again in the coming months. This should be a positive for the Australian equity market. These interest rate cuts will, lower the funding costs for businesses and may lead to increased corporate activity in the coming 6 months, given that some companies are trading on attractive multiples following the declines of last year. Given the current high cash position in the WAM Active portfolio we will be nicely positioned to take advantage on any trading opportunities that may arise.

Positive economic data emanating for the US in recent months has hinted at the potential for a US a sustained US economic recovery during 2012. A strong recovery may also lead to realigning of the AUD/USD exchange rate to more historical norms. Should these events unfold, they have the potential to provide us with some interesting trading opportunities over the coming months for Australian companies with large exposures to the US market.

China has been growing at a more moderate pace in recent times but still at a pace far above developed nations. Some commentators have started raising concerns about a housing bubble and if it can be sustainable at these high levels for much longer. However in the short to medium term it appears China can still move forward at pace to sustain the current mining boom. An improvement in equity markets and investor sentiment may see many smaller mining and mining services companies coming to market with IPO's and placements to fund expansion or even be taken over by Chinese buyers. These placements, IPO's and takeover arbitrages are the trading opportunities WAM Active will look to capitalise on should they become available.

We would like to thank our investors for their continued support throughout the period which once again has been a volatile one for equity markets. We look forward to seeing you at our shareholder presentation in May, where we will give you a further update on the Company's performance and the broader equity markets.

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