



29th August 2008

MEDIA RELEASE

RESULTS FOR THE YEAR ENDED 30 JUNE 2008 AND EQUAL ACCESS OFF-MARKET SHARE BUY-BACK ANNOUNCEMENT

- Gross Portfolio decreased 17.8% for the 12 months to 30 June 2008
- Operating Loss after tax \$5.025M for the 12 Months to 30 June 2008
- 2.5% (2.5 cents a share) equal access buy back at \$1.00 per share
- After tax net tangible assets decreased from \$1.31 to \$1.07 per share**

**adjusted for dividends paid

Cadence Capital Limited (CDM) today announced a net loss after tax of \$5.025 Million for the financial year ended 2008 in what proved to be a tough and volatile market environment. The gross portfolio underperformed the All Ordinaries Accumulation Index but outperformed the Small Ordinaries Accumulation Index during the past financial year. Despite a year of poor performance, the portfolio has generated an annualised gross portfolio performance since inception 33 months ago of 19.4%.

The Board has decided not to declare a final dividend, however it proposes to undertake a 2.5% (2.5 cents per share) equal access off-market share buy-back at \$1.00 per share. It must be noted that although the Company had both franking credits and cash-flow to pay a dividend, due to the fact that it must account for unrealised gains and losses through its profit and loss, the level of profits from which it could pay a dividend had been significantly reduced. It must be stressed that the Board has not changed their policy of endeavoring to pay an increasing fully franked dividend stream over time. Two of the Directors are substantial shareholders in the Company and are therefore very aware of the adverse impact of not maintaining

dividend payments in line with past dividends, and the effect that this may have on all shareholders.

The Board's policy is to regularly review the capital structure of the Company with a view to enhancing value to shareholders. The proposed equal access off-market share buy-back is complementary to the on-market share buy-back that is currently in place. The full details of the equal access off-market share buy-back will be communicated to investors as soon as they have been finalised. In the event that the net tangible asset backing per share falls below \$1.00, the equal access off-market buy-back will be priced at a price that will increase shareholders' value. No shareholder will be obliged to participate in the equal access off-market buy-back.

Commenting on the outlook of the Company, Karl Siegling noted:

“Despite a year of poor performance, we believe that there are always opportunities in the market. The flexibility to buy and short sell stock creates additional opportunities, as well as enabling the protection of assets in periods of adverse price movements. The current portfolio exposure and market commentary reflects a cautious outlook whilst at the same time positioning the fund for future opportunities.

I would like to take this opportunity to thank our investors for their continued support.”

Ends:

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