



Option Issue and Final Dividend

The Directors of Cadence Capital Limited (ASX code: CDM) propose to conduct a bonus issue under which one new CDM option will be issued to shareholders for every existing CDM share held by them at the relevant record date.

Each shareholder who owns a CDM share on the record date will receive a free CDM option which will trade under a separate code on the ASX.

In addition, the Directors of Cadence Capital Limited propose that Cadence Capital Limited pay a final dividend of 6 cents per share, fully franked, with an ex-dividend date of 22nd September 2011. This would bring the total dividends paid for the 2011 financial year to 9 cents per share fully franked.

Option holders who exercise their options on or before the 21st September 2011 will also be entitled to the dividend payment of 6 cents per share fully franked on their new CDM shares.

The option's strike price will be \$1.25 and it will be exercisable on or before the 15th September 2012.

The indicative dates are as follows:

Timetable

CDM shares trade ex- bonus entitlement	15 th August 2011
Record date to determine entitlements under the issue	19 th August 2011
CDM options begin trading on ASX	31 st August 2011
Last day to exercise options in time to receive dividend on new CDM shares	21 st September 2011
CDM shares trade ex dividend	22 nd September 2011
Dividend record date	28 th September 2011
Dividend payment date	6 th October 2011
Option expiry date	15 th September 2012

These dates are subject to documentation and may change.

The Dividend Reinvestment Plan (DRP) will once again apply to the dividend and will be priced at the volume weighted average price of CDM shares over the dividend record date and the 3 trading days prior. The Board anticipates that the DRP and option issue will be supported by a number of brokers and financial planning groups who have expressed interest in CDM.

As outlined in our May 2011 Newsletter (see www.cadencecapital.com.au) the Fund has accumulated significant franking credits. This enables the payment

of a large fully franked dividend on both current and new CDM shares issued due to exercise of options on or by the 21st September 2011. In addition, it is envisaged that after the payment of this dividend, the Fund will still have significant franking credits available to pay a 6% to 7% fully franked dividend for the foreseeable future.

Fund pricing as at 15th July 2011

CDM share price	\$1.29
CDM Pre-Tax price (Estimate)	\$1.42
CDM Post-Tax price (Estimate)	\$1.47
Franking credits	\$0.22
Potential fully franked dividends that could be paid out with the above franking credits	\$0.51

Please direct all enquiries to Karl Siegling or Wayne Davies on (02) 8298 2444 or (02) 8298 2498 or email enquiries to info@cadencecapital.com.au

Regards
Karl



Karl Siegling
Cadence Capital Limited

Cadence Capital Ltd Pty Ltd ACN 112 870 096
Level 11, 131 Macquarie Street, Sydney NSW 2000 Australia
Telephone +612 8298 2444, Facsimile +612 8298 2499
Email: info@cadencecapital.com.au