

Company Announcements  
Australia Stock Exchange  
by e-lodgement

8 May 2012

## Net Tangible Assets (NTA) Update

### **NTA \$1.15 before tax and \$1.13 after tax (ex bonus, ex dividend)**

The Clime Capital board is pleased to report the NTA of Clime Capital Limited as at 30 April 2012.

Investments	29 February 2012	31 March 2012	<u>30 April 2012</u>
Equities	\$52.8m	\$53.8m	\$54.0m
Cash	\$11.1m	\$11.5m	\$11.3m
Net Assets	\$63.9m	\$65.3m	\$65.3m
<b>NTA before tax per share</b>	<b>\$1.18<sup>1,2</sup></b>	<b>\$1.15<sup>1,3</sup></b>	<b>\$1.15<sup>1,4</sup></b>

<sup>1</sup> Fully Diluted NTA per share incorporates both the fully paid ordinary shares and converting preference shares on issue and bonus entitlements due to be paid on conversion of the preference shares

<sup>2</sup> on 17 February 2012, the Board declared a bonus issue for ordinary shareholders on a 1 for 20 basis. The record date for this bonus issue was 3/03/2012. NTA before tax per share disclosed above is before the effect of this dilution.

<sup>3</sup> on 28 March 2012, the Board declared a fully franked dividend of 4.75 cents per share in respect of the Company's converting preference shares and a fully franked ordinary dividend of 1 cent per share for ordinary shareholders for the quarter ending 31 March 2012. The record date for the dividend payment was 10<sup>th</sup> April 2012. NTA before tax per share disclosed above is before the effect of this dividend payment.

<sup>4</sup> represent ex-dividend price. Dividends for the March 2012 quarter were paid on 27 April 2012 for CAMPA and 30 April 2012 for CAM shares.

	3 months	1 year	2 years*	3 years*	4 years*
Clime Capital Limited	3.48%	1.36%	3.79%	14.36%	9.31%
ASX All Ordinaries Acc. Index	4.73%	-4.62%	0.29%	10.50%	-1.54%
<b>Outperformance</b>	<b>-1.25%</b>	<b>5.98%</b>	<b>3.51%</b>	<b>3.85%</b>	<b>10.86%</b>

\* Annualised investment performance to 30 April 2012.

#### Clime Capital Limited

Level 5, 352 Kent Street Sydney NSW 2000 Australia | PO Box Q1286 Queen Victoria Building NSW 1230  
ABN 99 106 282 777 P 02 9252 8522 F 02 8917 2155 W www.clime.com.au T @climeinvest

## Top Ten Portfolio Holdings – 30 April 2012

ASX Code	Company Name	Portfolio Weighting (%)
MMS	McMillan Shakespeare Limited	8.38
BHP	BHP Billiton Limited	7.00
TLS	Telstra Corporation Limited	6.83
EPX	Ethane Pipeline Income Fund	6.22
AAZPB	Australand Convertible Notes 31/12/2049	5.50
ANZ	Australia & New Zealand Banking Group Limited	5.31
MXUPA	Multiplex Convertible Note 31/12/2049	5.14
WOW	Woolworths Limited	4.79
WBC	Westpac Banking Corporation	4.26
BKW	Brickworks Limited	4.12

### Investment Commentary

The Manager of the portfolio produced a **March Quarter Review** that was sent to shareholders and lodged with the ASX. We refer shareholders and interested parties to this detailed update on the progress of the Company.

From a shareholder perspective we are pleased to report that since the conclusion of the GFC in the March Quarter 2009 that CAM has produced a **total shareholder return, measured by capital gain and dividends, of about 90%**. This exceeds the returns from the ASX All Ordinaries Accumulation by over 50%.

The actual portfolio performance exceeds that of the All Ordinaries Accumulation Index by over 30% as indicated by the tables at the beginning of this report.

The declaration of bonus shares and the maintenance of a quarterly one cent dividend have resulted in a steady rise in ordinary dividends over the last two years.

The key to this out performance has evolved from the following investment strategies:

1. The allocation of capital to a limited number of quality companies when they were offered in the market at a reasonable discount to our assessment of value. These companies distinguished themselves by exhibiting high returns on employed capital and were well funded without excessive funding by debt;
2. The recognition that Australia had entered a low growth era with growth slanted greatly towards resource sectors. The portfolio has not been invested with the hope of some unexplainable or dramatic change in economic outlook. The outlook for overseas economies has been closely monitored and its effects on the Australian economy correctly forecast; and

3. The focus on yield and the compounding of same has been a feature of the portfolio. The Company made significant investments in high yielding securities during the GFC. These positions have produced significant capital gain and continue to generate excellent income returns on cost.

The above strategies continue to be adopted by the Investment Manager of the portfolio and at this point we do not perceive a need to dramatically change the structure of the portfolio.

Kind regards

John Abernethy  
Chairman

Clime Capital Limited