

Company Announcements  
Australia Stock Exchange  
by e-lodgement

7 June 2012

## Net Tangible Assets (NTA) Update

### NTA \$1.12 before tax and \$1.10 after tax

The Clime Capital board is pleased to report the NTA of Clime Capital Limited as at 31 May 2012.

Investments	31 March 2012	30 April 2012	31 May 2012
Equities	\$53.8m	\$54.0m	\$53.6m
Cash	\$11.5m	\$11.3m	\$9.9m
Net Assets	\$65.3m	\$65.3m	\$63.5m
<b>NTA before tax per share</b>	<b>\$1.15<sup>1,2</sup></b>	<b>\$1.15<sup>1,3</sup></b>	<b>\$1.12<sup>1</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 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>3</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	0.22%	-0.88%	4.42%	12.36%	8.39%
ASX All Ordinaries Acc. Index	-4.79%	-9.49%	0.65%	7.14%	-3.87%
<b>Outperformance</b>	<b>5.02%</b>	<b>8.61%</b>	<b>3.77%</b>	<b>5.22%</b>	<b>12.26%</b>

\* Annualised investment performance to 31 May 2012.

#### Clime Capital Limited

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**Top Ten Portfolio Holdings – 31 May 2012**

<b>ASX Code</b>	<b>Company Name</b>	<b>Portfolio Weighting (%)</b>
MMS	McMillan Shakespeare Limited	8.57
TLS	Telstra Corporation Limited	7.09
BHP	BHP Billiton Limited	6.76
EPX	Ethane Pipeline Income Fund	6.06
MXUPA	Multiplex Convertible Note 31/12/2049	5.10
WOW	Woolworths Limited	5.05
AAZPB	Australand Convertible Notes 31/12/2049	5.04
ANZ	Australia & New Zealand Banking Group Limited	4.81
BKW	Brickworks Limited	4.24
WBC	Westpac Banking Corporation	3.94

**Investment Commentary**

We are pleased to advise shareholders that the company's portfolio continues to significantly outperform market indices over the last 4 years. In particular the last 12 months has been a torrid one for equity markets but the capital value of the company has held up well and some \$2.8 million of cash dividends have been distributed to shareholders since 30 June 2011.

Of significance for shareholders have been the judicious stock selection and the conviction that the manager has shown in holding positions that were acquired over 3 years ago. The recent share price performance of some of the company's major holdings, namely McMillan Shakespeare, Telstra, Ethane Pipeline and Woolworths against a sharply declining market has been impressive.

In recent months the company has taken a portfolio positions in Thorn Group Limited and Forge Group Limited. Both companies have financial characteristics of high return on equity and soundly funded balance sheets.

Whilst we retain a degree of concern with overseas developments we note that the movement in bond yields to historic low yields does make equity investments relatively more attractive. Continued weakness in equity markets would certainly compel us to deploy more of our cash.

Kind regards

John Abernethy  
Chairman

Clime Capital Limited