

**Appendix 4E**  
**Preliminary Final Report**  
**Lodged with the ASX under Listing Rule 4.3A**

Year Ended 30 June 2014  
 (Previous corresponding period – 30 June 2013)

Results for Announcement to the Market

Revenue from ordinary activities	down	13%	\$7,882,452
Profit before tax attributable to members	down	17%	\$6,483,210
Profit after tax attributable to members	down	17%	\$5,121,328

	Amount per security	Franked amount per security
<b><i>Dividends per share – Fully Paid Ordinary Shares</i></b>		
Interim Dividend – FY14 (paid 23 October 2013)	1 cent	1 cent
Interim Dividend – FY14 (paid 23 January 2014)	1 cent	1 cent
Interim Dividend – FY14 (paid 30 April 2014)	1.15 cents	1.15 cents
Final Dividend – FY14 (paid 22 July 2014)	1.15 cents	1.15 cents
<b><i>Dividends per share – Converting Preference Shares</i></b>		
July to Sep 13 – Quarterly Dividend (paid 22 October 2013)	4.75 cents	4.75 cents
Oct to Dec 13 – Quarterly Dividend (paid 22 January 2014)	4.75 cents	4.75 cents
Jan to Mar 14 – Quarterly Dividend (paid 29 April 2014)	4.75 cents	4.75 cents
Apr to Jun 14 – Quarterly Dividend (paid 21 July 2014)	4.75 cents	4.75 cents

**Explanation of revenue from ordinary activities**

Revenues for the period decreased to \$7,882,452 (FY13: \$9,109,186). This decrease was primarily caused by an decrease in unrealised gains on financial assets.

**Explanation of profit from ordinary activities after tax attributable to members**

Profit after tax attributable to members decreased to \$5,121,328 (FY13: 6,203,262).

**COMMENTARY ON RESULTS**  
**FINANCIAL YEAR ENDED 30 JUNE 2014**

Clime Capital Limited (CAM) produced a steady return on its investment portfolio and continued to manage shareholders equity in a prudent fashion.

The Manager believes that a reasonable target rate of return for it (CAM) over a long period from the equity market is 10% pre-tax per annum. This is above the historical long term return of the equity market but it does acknowledge that CAM retains the ability to hold cash until true “risk adjusted” value appears. This is an absolute return approach and CAM believes the 10% pre-tax return is the true bench mark for its “value” investment style.

The Board is pleased to report that CAM has achieved 10.11% pre-tax return on its capital over the last 5 years since the GFC. What follows is an outline of the movements in shareholders’ equity (after tax) and the payments of dividends net of reinvestment to shareholders (including preference shareholders) over the last 5 years as reported in our Annual results.

<b>12 months ending</b>	<b>June 2010</b>	<b>June 2011</b>	<b>June 2012</b>	<b>June 2013</b>	<b>June 2014</b>	<b>Aggregated summary</b>
(in millions)	\$	\$	\$	\$	\$	\$
Opening equity	<b>50.90</b>	59.59	62.23	60.90	81.04	
Profit after tax	11.40	5.30	1.50	6.20	5.12	29.52
Cash dividends paid	(2.30)	(2.60)	(2.80)	(3.10)	(3.86)	(14.66)
Tax paid	-	-	-	(0.90)	(1.88)	(2.78)
Capital raised	-	-	-	17.20	10.41	27.61
Timing differences on dividends and DRPs	(0.41)	(0.06)	(0.03)	0.74	1.71	1.95
Closing Equity	59.59	62.23	60.90	81.04	<b>92.54</b>	

Thus in the 5 years since June 2009 the company has increased equity after tax (excluding the capital raised) by \$14.03 million after paying fully franked cash dividends of \$14.66 million. This equates to an annualised pre-tax return of **10.11% p.a. or 61.8% over the 5 year period.**

It is pleasing to report that the Manager achieved a positive portfolio return in 2013/14 after all costs and expenses.

## Dividend Policy and Capital Management

The Board intends to maintain its policy of declaring ordinary and preference share dividends each quarter. The current portfolio has a high level of income generation from its shares and yielding investments. The portfolio also generates franking credits which are beneficial to shareholders.

During the 2013/14 financial year CAM declared a 1 for 25 bonus share issues and increased the ordinary dividend levels on the increased shares. The Directors believe that bonus shares have improved the liquidity of CAM shares and resulted in a re-rating of CAM shares in the market.

In addition during 2013/14, CAM successfully raised funds from new and existing shareholders. Newly placed shares raised \$10.7m. The cash raised is slowly being deployed in assets that meet our outlined investment process criteria.

In April 2014 the company issued options to shareholders on the basis of 1 option for every 1 share owned. The option will expire on 20 October 2015, 18 months after issue. Each option issued will give holders an opportunity, but not the obligation, to subscribe for an additional share in the Company at the exercise price of \$1.04.

### Supplementary Appendix 4E information

#### Additional dividend/distribution information

Details of dividends/distributions declared or paid during or subsequent to the year ended 30 June 2014 are as follows:

Record Date	Payment Date	Type	Amount per security	Total Dividend	Franked amount per security	Foreign sourced dividend amount per security
<b>Fully Paid Ordinary Shares</b>						
14 Oct 2013	23 Oct 2013	Interim	1 cent	\$475,972	1 cent	-
08 Jan 2014	23 Jan 2014	Interim	1 cent	\$501,145	1 cent	-
10 April 2014	30 April 2014	Interim	1.15 cents	\$670,019	1.15 cents	-
02 July 2014	22 July 2014	Final	1.15 cents	\$671,332	1.15 cents	-
<b>Converting Preference Shares</b>						
14 Oct 2013	22 Oct 2013	Quarterly	4.75 cents	\$364,068	4.75 cents	-
08 Jan 2014	22 Jan 2014	Quarterly	4.75 cents	\$364,068	4.75 cents	-
10 April 2014	29 April 2014	Quarterly	4.75 cents	\$364,068	4.75 cents	-
02 July 2014	21 July 2014	Quarterly	4.75 cents	\$364,068	4.75 cents	-

**Dividend/distribution reinvestment plan**

The company operates a dividend reinvestment plan.

**Net tangible assets per security (Cum-Dividend)**

	2014	2013
	\$	\$
Fully diluted net tangible asset backing per ordinary share – pre-tax	\$1.05	\$1.06
Fully diluted net tangible asset backing per ordinary share – post-tax	\$1.03	\$1.02

During 2013/14 bonus shares were issued to existing shareholders on a 1 for 25 basis. The record date of this event was 4 October 2013.

**Controlled Entities**

The company did not gain or lose control over any entities during the 12 months ended 30 June 2014.

**Associates and Joint Venture entities**

The company does not have any interests in associates or joint venture entities.

**Foreign Accounting standards**

Not applicable.

**Audit**

This report is based on the Annual Report which is audited.