

Net Tangible Assets (NTA) & Investment Update

NTA \$1.40 before tax and \$1.36 after tax

The Clime Capital board is pleased to report the NTA of Clime Capital Limited is to \$63.9 million or \$1.40 per share. The increase in NTA since 30 June 2009 is approximately \$12 million before tax and is after the payment of dividends.

In this financial year (2010) Clime Capital Ltd has paid approximately \$720k in dividend payments to its preference and ordinary shareholders. On 1 October 2009 the Directors announced it is the Company's intention to pay quarterly ordinary dividends should the profits of the company allow this to be possible.

Investments	30 September 09	31 October 09	30 November 09
Equities	\$49.2m	\$52.6m	\$57.0m
Cash	\$14.6m	\$10.0m	\$7.3m
Total Assets	\$63.7m	\$62.6m	\$64.3m
Performance ²	6.0%	-0.9%	3.4%
ASX All Ordinaries Acc. Index	5.9%	-1.9%	1.9%
Outperformance	0.1%	1.0%	1.5%
NTA per share	\$1.39	\$1.37	\$1.40

¹ Fully Diluted NTA per share incorporates both the fully paid ordinary shares and converting preference shares on issue

² Performance is based on movement of gross investment assets, adjusted for dividends paid

Clime Capital Limited

Clime Capital Limited is a listed investment company, managed by Clime Asset Management Pty Limited. Clime Capital Limited holds a concentrated portfolio of approximately 20 securities that are listed on the Australian Stock Exchange. Its goal is to invest in companies that generate a high return on equity, are managed by capable management and that can be purchased at a price below the intrinsic value of the company.

Clime Capital Limited was listed on the ASX in February 2004. In 2006 Clime Asset Management Pty Ltd was purchased by Clime Investment Management Limited (ASX: CIW), formerly Loftus Capital Partners Limited (ASX: LCP). Since the acquisition, Clime Capital Limited has consistently outperformed the ASX All Ordinaries Accumulation Index.

	3 months	1 year	2 years	3 years	4 years
Clime Capital Limited	6.9%	47.8%	1.8%	2.6%	7.2%
ASX All Ordinaries Acc. Index	6.1%	34.5%	-11.5%	-0.6%	5.1%
Outperformance	0.8%	13.3%	13.3%	3.2%	2.1%

Annualised investment performance to 30 November 2009

Clime Asset Management Pty Ltd employs a value investment philosophy and holds the following core investment beliefs:

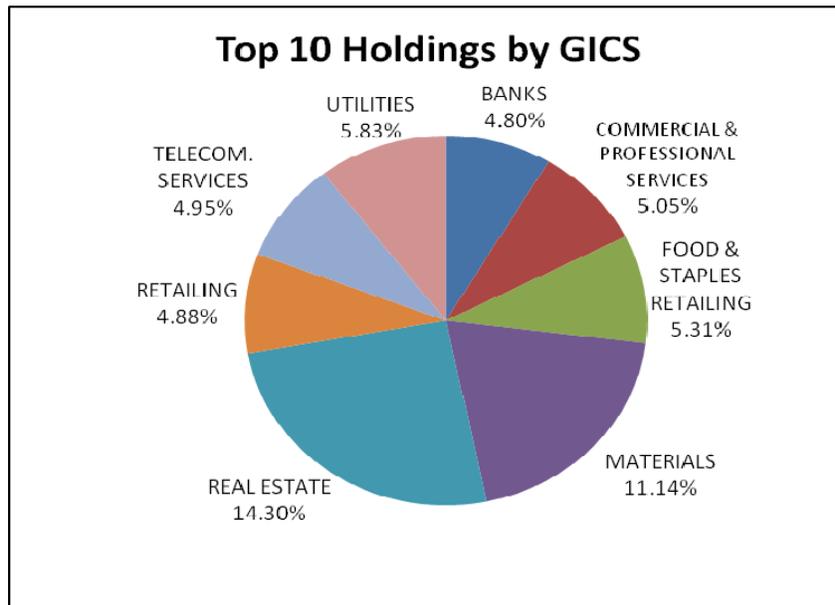
- The preservation of capital is essential to maximise shareholder returns.
- The sustainable return on equity (ROE) of a company determines the value of a company.
- Investments are only be made when the share price of a company is below the value of a company
- The share price will revert to the value of the company in the medium term.
- If investments cannot be found with and acceptable ROE and be purchased below their intrinsic value cash will be held.

Clime Capital limited holds 25 individual positions in its portfolio. Holdings which exceed 2% of the portfolio are as follows:

Largest Holdings – 30 November 2009

ASX Code	Company Name	Portfolio Weighting (%)
AAZPB	Australand Assets Trust	7.38%
MXUPA	Multiplex Sites Trust	6.92%
BHP	BHP Billiton Limited	6.27%
EPX	Ethane Pipeline Income Fund	5.83%
WOW	Woolworths Limited	5.31%
MMS	McMillan Shakespeare Limited	5.05%
TLS	Telstra Corporation Limited	4.95%
JBH	JB Hi-Fi Limited	4.88%
WFL	Willmott Forests Limited	4.87%
NAB	National Australia Bank Limited	4.80%
ANZ	ANZ Banking Corporation Limited	3.18%

Sectors Exposure – 30 November 2009



Investment Update

In recent weeks equity markets have been confronted by disturbing developments which have unfolded in Dubai, Greece and Spain. The downgrading of government debt and the rapid increase of government indebtedness in developed economies must be considered by equity market participants. Each of these events have added to the uncertainty of the likely strength of the world's recovery from the financial crisis of 2008.

Even in the last week we have been confronted with more conflicting news. Growth in China is powerful and there were signs of recovery in the US with better employment numbers and retail sales trends. However, in Japan the government was forced to introduce further stimulation packages as growth in September GDP was dramatically downgraded from the first estimates.

In Australia the successive rises in interest rates have dampened the equity market. Whilst employment has been remarkably resilient the reports from the national current account and trade account have shown alarming declines. Since June the trade account for Australia has moved to a deficit of \$7.5 billion (for four months) as a rising currency and declining commodity prices have hit home. Our current account is back to a deficit of 5% of GDP and Australia's foreign reserves have declined dramatically to approximately \$43 billion.

The decline in foreign reserves does ensure that Australia's banks will be required to steadily reduce their offshore wholesale debt. They will do this by tightening up credit and ensuring that debt is repaid by small business borrowers. Thus, the tightening of credit will add to rising interest rates as a heavy weight on the economic activity and the equity market in coming months.

Thus, in just a few short weeks the equity market has now had its gloss removed and certainly the future direction will be determined by:

- a. Christmas trading for retailers;
- b. Movements in the \$A;
- c. Sentiment emanating from overseas government credit downgrades; and
- d. Continued growth in China with April contract commodity price negotiations being very important for market sentiment.

Kind regards

John Abernethy
Chairman
Clime Capital limited