

November 2007 NTA Update:
\$1.37 before tax and \$1.36 after tax

	31st August 2007		30th September 2007		31st October 2007		30th November 2007	
Investments	\$m		\$m		\$m		\$m	
Listed Equities	57.3	78.60%	41.6	56.75%	51.3	70.08%	47.5	73.19%
Cash and Equivalents	15.6	21.40%	31.7	43.25%	21.9	29.92%	17.4	26.81%
Total Investment Assets	<u>72.9</u>		<u>73.3</u>		<u>73.2</u>		<u>64.9</u>	
Investment Asset Performance	-1.2%		0.5%		1.1%	¹	-11.3%	
Cash Adjusted Performance	-1.6%		1.0%		1.6%		-15.5%	
S&P/ASX 300 Indust. Accum	1.9%		3.6%		2.8%		-3.3%	

Fully Diluted NTA Per Share Information as at 30th November 2007 *

NTA before tax - cents	137
NTA after tax - cents	136

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

¹ - Adjusted for ordinary and preference share dividends paid during October 07

Dear Shareholder,

Clime Capital Limited seeks to invest in a concentrated portfolio of businesses that can generate high rates of return on equity, are run by honest and capable management and can be purchased at a fair price. We are not interested in the short-term gyrations that are evident in a share's price; instead we concern ourselves with the changes in intrinsic value that change much more slowly. Our strategy clearly outlined in the Prospectus and the basis on which the company was set up to follow is unchanged. We will continue to maintain large cash holdings unless sound investments can be made using our proprietary definitions for excellent businesses and wonderful value.

COMMENTARY

Our NTA at the end of November remains depressed by the fall in the share price of Credit Corp. Credit Corp's valuation however has not declined to the same extent and we expect its value to rise significantly over the next two years.

While Credit Corp's share price has recovered slightly since 30 November (the date of the above NTA's calculation), we believe investors will have ample opportunity to acquire shares below the company's valuation. As Benjamin Graham noted, in the short run the market is a voting machine and our peers are still at the ballot box with the share price telling you which way they are voting.

The last quarter has been disappointing from an investment perspective as we have failed to match the returns generated by the bounce in market prices since August. You will notice we have invested more of our cash and the bulk has been the purchase of additional shares in Credit Corp and the purchase of shares in HeadLine Group, Coates (post-bid arbitrage), Austal, Corporate Express, Data 3, QBE, Blackmores and ANZ.

The credit crisis in the US is far from over. It is a real issue with the widening credit spreads a function of real cash losses on sub-prime mortgages. There are more losses to be revealed and while the road will be bumpy the decline in the US dollar against several currencies should be considered a long term trend.

As I discussed at the Annual General Meeting, Clime is moving closer to acquisitions of unlisted businesses and your Chairman is actively discussing investments with several vendors.

Unlisted businesses generating 100% returns on equity with no debt are available for sale - in 'market speak' - at less than 7 times earnings. And some of the businesses we are evaluating have no equity and no inventory. This is exciting because it means the cash being generated is of the 'uninhibited' variety.

There will be no commentary in the January NTA report however you can be certain that for our two largest investments, Credits Corp's Geoff Lucas will be doing significantly better than I ever could and Jerry Masters will keep the tills ringing at The Reject Shop.

Please make sure you purchase presents for your loved ones at The Reject Shop – they have products at some truly amazing prices - and if you seriously go overboard using a credit card, you can relax in the knowledge that you are helping your two largest investments.

While the United States wishes you 'Happy Holidays' and Australia adopts 'Season's Greetings' it is my policy to avoid anaemic and secular well wishes and recognise the birthday being celebrated. To that end I wish all our owners a very safe and happy Christmas.

Roger Montgomery
Clime Capital Limited
14 December 2007

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