

Clime Investment Management Limited (“CIW”)

Company Announcements
Australian Stock Exchange, Sydney

21 January 2008

Half-Year Profit Guidance and Review of Activities

Half-Year Profit Guidance

The Board of CIW wishes to advise that, based on management accounts which are yet to be reviewed by the Company’s auditors, it expects to report a Net Profit After Tax (NPAT) of approximately \$275,000 for the half-year ended 31 December 2007.

The reported result for the half-year has been impacted by the following:

- Movements in the market prices of direct investments in the Company’s portfolio, particularly in relation to its two material holdings in Clime Capital Limited and the Clime Value Growth Fund (negative \$560k);
- Expenses associated with CIW’s equity-accounted investment in Camelotfund Pty Ltd. The company finalised the negotiations for its exit from its relationship with Camelotfund in November 07 (negative \$100k); and
- Expenses relating to the ongoing development of its web-based equity valuation tool, StockVal, and expenses associated with its intended launch into the US market (negative \$60k).

Operational Comments

CIW has continued to generate positive Funds Under Management (FUM) flows. However, total FUM has been affected by the negative performance of the share market, and has decreased marginally since 30 June 2007.

Product development has been a key focus for CIW during the period, with two major outcomes including the conversion of the Clime Value Growth Fund to a registered retail scheme (fund size approximately \$20m at 31 December) and the launch of the Clime High Yield Underdogs Fund in December 2007.

The Clime High Yield Underdogs Fund is based on the successful investment methodology known as the “Dogs of the Dow” in the US. The fund is managed by CIW’s Funds Management Division, and will only be charged a management fee if the returns generated by the fund are positive.

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During November 2007, CIW completed negotiations with the founding principals of Camelotfund Pty Ltd to withdraw its involvement from the company. The exit was finalised amicably and has allowed CIW to redeploy its investment capital into other strategic areas.

As such, CIW recently negotiated to increase its stake in Total Super Pty Ltd (Total Super) from 15.6% to 31.3%, which will result in the company becoming an equity accounted associate going forward. Total Super is a self-managed superannuation fund administration company with approximately 900 funds and \$900 million under administration. Total Super also provides superannuation consulting services which are regarded as highly complementary to the services provided by Clime AT.

The Board is pleased to confirm that CIW has continued to aggressively grow the number of subscribers to its web-based equity valuation tool, StockVal. There are now over 850 StockVal subscribers, and the target subscriber base of 1,000 users by 30 June 2008 appears achievable. It should also be noted that for the majority of 2007, the StockVal valuations of over 400 ASX listed companies indicated that the market had been consistently overvalued during the year. The recent sharp correction in share prices is therefore supportive of the quality of the StockVal product.

CIW continues to pursue opportunities to launch StockVal into the US market, and is currently in preliminary discussions with a number of potential business partners.

CIW will make a formal announcement of its half-year result in February, following a review by the Company's auditors.

For further information please contact:

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