

**Clime Investment Management Limited (“CIW”)**

Company Announcements  
Australian Stock Exchange, Sydney

19 July 2007

**Profit Upgrade for Year Ended 30 June 2007**

Clime Investment Management Limited (ASX: CIW) is pleased to announce that, based on the Company’s management accounts, which are subject to audit and Board approval, net operating profit after tax is expected to be in the range of \$2.9 to \$3.0 million.

The profit for the year is 16%-20% higher than the top end of guidance provided to the market in May 2007. The significant variance is driven by higher than expected profitability of the Company’s funds management business. CIW also benefited from the strong performance of the Company’s own investments (including its 10% stake in Clime Capital Limited) which are managed by its funds management business.

The Company’s funds management business, led by Roger Montgomery, generated excellent returns for the year. The portfolio of Clime Capital Limited, the Company’s largest client, produced a before tax and fees return of approximately 40% - outperforming the ASX All Ordinaries Accumulation Index by a significant margin.

Partially offsetting the impact of these factors has been additional costs incurred in the development of new products, including the Clime Value Growth Fund, now a formally registered retail managed investment scheme.

The Company expects to release its full year profit announcement, including the Annual Report, in late August 2007.

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