

Clime Investment Management Limited (“CIW”)

Company Announcements
Australian Stock Exchange, Sydney

27 February 2009

Announcement of Half-Year Results – December 2008

Half-year information given to the ASX under Listing Rule 4.2A

Please find attached the following documents with respect to the Company’s results for the half-year ended 31 December 2008:

- Appendix 4D; and
- Interim financial report for the half-year ended 31 December 2008, including the auditor’s unqualified review report.

This information should be read in conjunction with the most recent Annual Report of the Company for the financial year ended 30 June 2008.

Yours sincerely,



Cameron Fellows
Company Secretary

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Appendix 4D

Lodged with the ASX under Listing Rule 4.2A.1
 Results for Announcement to the Market

Half-Year Ended 31 December 2008

(Previous corresponding period – Half-Year Ended 31 December 2007)

				\$
Revenue from ordinary activities	down	54%	to	1,049,147
Profit / (loss) from ordinary activities after tax attributable to members	down	1,119%	to	(2,976,676)
Net profit / (loss) for the period attributable to members	down	1,119%	to	(2,976,676)

Dividends per share	Amount per security	Franked amount per security
Final Dividend – FY08 (paid)	0.35 cents	0.35 cents
Interim Dividend – FY09 (proposed)	NIL	NIL

Record date for determining entitlements to the dividend is

N/A

Explanation of Revenue

Revenue for the half-year totalled \$1,049,147 (HY07: \$2,292,597) representing a 54% decrease over the previous corresponding period. The decrease in consolidated revenue follows a 43% fall in Funds Management income (erosion of FUM base through market movements), a 69% decrease in StockVal revenue (despite a 14% increase in underlying cash revenue, the Board has commenced recognising revenue on an accruals basis due to a greater service component in the offering) and a 62% decrease in interest and dividend income (due to lower cash rates and lower average cash on hand following dividend payments and the share buy-back).

Explanation of Net Profit

Clime Investment Management Limited recorded an after tax loss attributable to members of (\$2,976,676) for the half-year to 31 December 2008 (HY07: after tax profit attributable to members of \$291,908). The loss for the period can be primarily attributed to unrealised losses and impairment charges on the Group's listed investment portfolio of approximately \$2.5 million (pre-tax), impairment charges on goodwill of approximately \$0.2 million, a non-cash provision for a potential fringe benefits tax liability in respect of the Company's Employee Incentive Scheme of approximately \$0.4 million and the impact of the decrease in operating revenues discussed above.

Explanation of Dividends

During the period dividends of 0.35 cents per share were paid to shareholders. The Directors are currently not able to declare a dividend due to the negative retained earnings position of the Company. As such, no interim dividend was declared during the half-year.

Net tangible assets per security

	Current period	Previous corresponding period
Net tangible asset backing per ordinary share	\$0.38	\$0.48

Dividends

Details of dividends/distributions declared or paid during or subsequent to the six months ended 31 December 2008 are as follows:

Record Date	Payment Date	Type	Amount per security	Total Dividend \$000's	Franked amount per security	Foreign sourced dividend amount per security
5 September 2008	8 September 2008	Final	0.35 cents	181	0.35 cents	-

Dividend/Distribution Reinvestment Plans

The economic entity does not currently operate a dividend/distribution reinvestment plan.

Associates and Joint Venture entities

Name	Ownership Interest		Contribution to net profit	
	Current period %	Previous corresponding period %	Current period \$	Previous corresponding period \$
Jasco Holdings Limited	25.47	25.36%	253,600	297,980
Camelotfund Pty Ltd *	-	-	-	3,070

* **NOTE** - The Company sold its stake in Camelotfund Pty Ltd during the previous corresponding period (effective 8 Nov 2007).

Foreign Accounting standards

Not applicable.

Audit

This report is based on accounts that have been reviewed. The unqualified review report is attached on page 12 of the attached Interim Financial Report.



CLIME INVESTMENT MANAGEMENT LIMITED

(ABN 37 067 185 899)

and Controlled Entities

Interim Financial Report - 31 December 2008

Clime Investment Management Limited

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Facsimile: +61 2 9252 8422

ACN: 067 185 899 ABN: 37 067 185 899
www.clime.com.au

GENERAL PURPOSE
INTERIM FINANCIAL REPORT 31 DECEMBER 2008

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DIRECTORS' REPORT

for the Half-Year ended 31 December 2008

Clime Investment Management Limited and Controlled Entities

Your Directors present their report on the consolidated entity consisting of Clime Investment Management Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2008.

Directors

The following persons were Directors of Clime Investment Management Limited during the whole of the half-year and up to the date of this report:

David Schwartz	-	Chairman
John Abernethy	-	Managing Director
Mark Osborn	-	Non-Executive Director

Paul Jensen was a Director from the date of his appointment on 29 August 2008 up to the date of this report.

Review of Operations

Operating Revenue

The Clime Group had positive funds inflows from investors for the 6 month period to 31 December 2008. Due to the significant decline in the Australian share market over the course of the calendar year, however, the Group's Funds Under Management (FUM) declined from approximately \$205 million as at 31 December 07 to approximately \$135 million as at 31 December 08. This lower FUM has resulted in a 43% decrease in revenue generated by the Funds Management Division in comparison with the prior corresponding period.

In contrast, StockVal, the Group's online, ASX company valuation service, generated a 14% increase in underlying cash revenue for the period. This was driven by an increase in the number of StockVal membership sales and the introduction of a new pricing policy. The Group is continuing to enhance the scope of the StockVal service by improving the number and the depth of companies researched together with the addition of regular market and research newsletters to members.

In recognition of the increase in the product's service component, the Board has determined that, effective from 1 July 2008, StockVal membership revenue will now be recognised progressively over the life of the memberships. As such, the Group now recognises deferred revenue in respect of its clients' unexpired memberships. The impact of this treatment in the current period is a reduction in revenue recognised of approximately \$397k, representing the unexpired membership component for cash sales of StockVal during the period. The Board expects that the level of deferred revenue will be higher as at 30 June 2009.

A deferred revenue liability is also recognised in respect of prepayment of fees by the Group's Funds Management clients. The impact of this treatment in the current period is a reduction in revenue recognised of approximately \$125k, representing the unexpired service liability for cash receipts of Funds Management fees received in advance.

Interest and dividend income has decreased by 62% in comparison with the prior period. The Group's interest income is in line with lower cash rates and a lower average cash balance held. The cash balance is primarily due to the payment of the FY08 final dividend and the conduct of its on-market share buyback scheme. The Group's largest investee company, Clime Capital Limited, did not declare a dividend during the half. The Board expects that Clime Capital Limited will be in a position to declare and pay dividends in the coming financial year.

The Company's divestment of its majority-owned investments in Clime AT Pty Ltd and Clime Advice Pty Ltd in July 2008, for a marginal profit, has also contributed to the decrease in consolidated revenue. These entities contributed approximately \$130k of revenue in the prior period due to their treatment as subsidiaries.

Half-Year Result

The Clime Group recorded an after-tax loss attributable to members of (\$2,976,676) for the half-year to 31 December 2008 (HY07: after-tax profit attributable to members of \$291,908). The result for the period is primarily attributed to:

- Net unrealised losses and impairment charges on the Group's listed investments and managed funds of (\$2,544,869);
- Impairment charges on goodwill in relation to Loftus Capital Pty Ltd of (\$202,814);
- A non-cash provision of (\$397,487) in respect of a potential non-current fringe benefits tax liability arising from a fall in the Company's share price since it issued 800,000 shares to employees via non-recourse loans under the Employee Incentive Scheme. This non-cash expense is included in the 'Administration Expenses' line item in the Income Statement on page 5 of this report; and
- A decrease in operating revenue for the half-year of (\$1,243,450) as discussed above.

DIRECTORS' REPORT

for the Half-Year ended 31 December 2008

Clime Investment Management Limited and Controlled Entities

Earnings per share for the six month period to 31 December 2008 were negative 5.7 cents per share (HY07: positive 0.6 cents per share).

The profit result included Equity Accounted Profits for the half-year of \$253,600 (HY07: \$301,050), representing primarily the economic entity's 25% share of the total After Tax Profits of its associate, Jasco Holdings Limited.

Summary of Total Equity

The Total Equity at balance date was comprised of the following:

	<u>31-Dec-08</u>
Cash and Cash Equivalents	\$ 5,154,689
Listed Investments – Clime Capital Ltd	\$ 4,351,054
Listed Investments – Headline Group Ltd	\$ 1,615,137
Listed Investments – Other	\$ 307,735
Unlisted Investments – Clime's Managed Funds	\$ 1,987,132
Equity Accounted Investments - Jasco Holdings Ltd	\$ 6,598,999
Other Net Assets and Liabilities	(\$ 39,108)
Net Tangible Assets	\$ 19,975,638
Intangibles – Goodwill and Management Contracts	\$5,594,495
Total Equity	\$ 25,570,133
No. of Ordinary Shares on Issue as at 31 Dec 08	52,518,810
Equity per Share	48.7 cents
Net Tangible Assets per Share	38.0 cents

Operating Cash Flow

Operating cash flow has decreased by \$1,659,953 in comparison with the prior corresponding period. This is primarily a function of the following:

- A decrease in cash receipts from operating activities of \$1,398,414. The prior period's operating cash receipts were inflated due to the receipt of approximately \$1.2 million of performance fees from the year ended 30 June 2007. A reduction in revenue from the Funds Management Division as discussed above has also contributed to a decline in operating cash receipts; and
- A decrease of \$293,572 in interest and dividend cash receipts due to factors discussed above.

Dividends

During the period dividends of 0.35 cents per share were paid to shareholders. The Directors are not able to declare a dividend due to the negative retained earnings position of the Company. As such, no interim dividend was declared during the half-year.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 3.

This report is made in accordance with a resolution of the Directors.



David Schwartz
Chairman
Sydney
27 February 2009

The Board of Directors
Clime Investment Management Limited
Suite 1, Level 1
7 Macquarie Place
SYDNEY NSW 2000

Dear Board Members

Clime Investment Management Limited

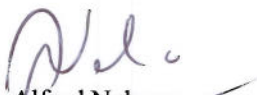
In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Clime Investment Management Limited.

As lead audit partner for the review of the financial statements of Clime Investment Management Limited for the half-year ended 31 December 2008, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely


Deloitte Touche Tohmatsu


Alfred Nehama
Partner

Chartered Accountants
Sydney, 27th February 2009

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Clime Investment Management Limited Interim Financial Report - 31 December 2008

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by Clime Investment Management Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

CONSOLIDATED INCOME STATEMENT

for the Half-Year ended 31 December 2008

Clime Investment Management Limited and Controlled Entities

	Half-year	
	2008	2007
	\$	\$
Revenue from continuing operations	1,049,147	2,292,597
Net realised and unrealised gains / (losses) on financial assets at fair value through profit or loss	(1,753,889)	(282,018)
Impairment of available-for-sale financial assets	(799,402)	-
Impairment of goodwill	(202,814)	-
Occupancy expenses	(112,093)	(100,884)
Administration expenses	(2,602,483)	(1,857,634)
Share of net profits of associates accounted for using the equity method	253,600	301,050
(Loss) / profit before income tax	(4,167,934)	353,111
Income tax benefit (expense)	1,191,258	(59,141)
(Loss) / profit for the half-year	(2,976,676)	293,970
(Profit) attributable to minority interest	-	(2,062)
(Loss) / profit attributable to members of Clime Investment Management Limited	(2,976,676)	291,908
Earnings per share for profit attributable to the ordinary equity holders of the company:		
Basic earnings per share	(5.7 cents)	0.6 cents
Diluted earnings per share	(5.7 cents)	0.6 cents

The above consolidated income statement should be read in conjunction with the accompanying notes.

CONSOLIDATED BALANCE SHEET

As at 31 December 2008

Clime Investment Management Limited and Controlled Entities

	31 December 2008 \$	30 June 2008 \$
ASSETS		
Current Assets		
Cash and cash equivalents	5,154,689	6,469,073
Trade and other receivables	238,347	572,305
Other current assets	162,465	124,925
Financial assets at fair value through profit or loss	6,665,143	8,387,142
Total Current Assets	12,220,644	15,553,445
Non-Current Assets		
Investments accounted for using the equity method	6,598,999	6,444,870
Available-for-sale financial assets	1,615,137	2,398,314
Other financial assets	15,458	15,458
Plant and equipment	127,712	140,693
Deferred tax assets	2,633,241	1,362,676
Intangible assets	5,594,495	5,898,042
Total Non-Current Assets	16,585,042	16,260,053
Total Assets	28,805,686	31,813,498
LIABILITIES		
Current Liabilities		
Payables	412,162	801,133
Provisions	34,991	71,264
Deferred revenue	522,036	-
Interest bearing liabilities	1,353	1,213
Current tax liabilities	-	23
Total Current Liabilities	970,542	873,633
Non-Current Liabilities		
Interest bearing liabilities	1,376	2,089
Deferred tax liabilities	1,703,648	1,620,200
Other non-current payables	559,987	162,500
Total Non-Current Liabilities	2,265,011	1,784,789
Total Liabilities	3,235,553	2,658,422
Net Assets	25,570,133	29,155,076
EQUITY		
Contributed equity	27,824,177	28,251,861
Reserves	254,059	208,856
Retained profits	(2,508,103)	649,589
Parent entity interest	25,570,133	29,110,306
Minority interest	-	44,770
Total Equity	25,570,133	29,155,076

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the Half-Year ended 31 December 2008

Clime Investment Management Limited and Controlled Entities

		Half-year	
	Notes	2008	2007
		\$	\$
Total equity at the beginning of the half-year		29,155,076	32,321,199
Net increase/(decrease) in available for sale revaluation reserve		-	(78,980)
Net increase in foreign currency translation reserve		-	-
Net (expense) / income recognised directly in equity		-	(78,980)
Profit for the half-year		(2,976,676)	293,970
Total recognised income and expense for the year		(2,976,676)	214,990
Net increase in share-based payments reserve		45,203	29,793
Transactions with equity holders in their capacity as equity holders:			
Contributions of equity, net of transaction costs		-	904,000
On-market share buy-back, net of transaction costs	3	(427,684)	(221,173)
Dividends provided for or paid	2	(181,016)	(1,090,245)
Dividends paid to minority interest		-	(61,624)
Minority interest reversed on disposal of subsidiary		(44,770)	-
		(608,267)	(439,249)
Total equity at the end of the half-year		25,570,133	32,096,940
Total recognised income and expense for the half-year is attributable to:			
Members of Clime Investment Management Limited		25,570,133	212,928
Minority interest		-	2,062
		25,570,133	214,990

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED CASH FLOW STATEMENT

for the Half-Year ended 31 December 2008

Clime Investment Management Limited and Controlled Entities

	Half-Year	
	2008	2007
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from disposal of financial assets at fair value through profit or loss	790,496	2,491,061
Payments for financial assets at fair value through profit or loss	(805,090)	(2,759,128)
	(14,594)	(268,067)
Fees received in the course of operations (inclusive of goods and services tax)	1,648,411	3,046,825
Expense payments in the course of operations (inclusive of goods and services tax)	(2,459,780)	(2,239,374)
Dividends received	11,537	144,853
Dividends received from associates	33,020	62,467
Interest received	172,173	302,982
Interest paid	(331)	(470)
Income taxes paid	(1,173)	-
Net cash inflow/(outflow) from operating activities	(610,737)	1,049,216
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of available-for-sale financial assets	-	-
Payments for available-for-sale financial assets	(16,222)	(14,575)
	(16,222)	(14,575)
Proceeds from disposal of subsidiaries, net of cash divested	(12,240)	-
Proceeds from disposal of unlisted investments	-	152,000
Payments for property, plant & equipment	(11,733)	(44,188)
Net cash (outflow) / inflow from investing activities	(40,195)	93,237
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal repaid on finance leases	(573)	(461)
Payments for shares bought back (net of transaction costs) – refer note 3	(427,684)	(221,173)
Repayment of loans by employees under Employee Share Incentive Scheme	-	16,000
Dividends paid to company's shareholders	(235,195)	(1,147,050)
Net cash (outflow) from financing activities	(663,452)	(1,352,684)
Net (decrease) in cash held	(1,314,384)	(210,231)
Cash at beginning of half-year	6,469,073	8,618,084
Cash at end of half-year	5,154,689	8,407,853

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

for the Half-Year ended 31 December 2008

Clime Investment Management Limited and Controlled Entities

NOTE 1: BASIS OF PREPARATION OF THE INTERIM FINANCIAL REPORT

This general purpose financial report for the interim half-year reporting period ended 31 December 2008 has been prepared in accordance with the *Corporations Act 2001*, AASB 134 *Interim Financial Reporting*, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

This interim financial report does not include all of the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by Clime Investment Management Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

For the purposes of preparing the half-year financial statements, the half-year has been treated as a discrete reporting period. This half-year financial report includes condensed financial statements and does not include all the notes to the financial statements which would normally be included in the annual financial report.

With the exception of an amended revenue recognition policy in respect of the StockVal product (due to a change in the nature of the underlying product as disclosed in Note 4), the consolidated entity has followed the same accounting policies for the half-year ended 31 December 2008 as it applied at 30 June 2008.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss.

NOTE 2: DIVIDENDS

	Half-year	
	2008	2007
	\$	\$
Fully Paid Ordinary Shares		
Final dividend of 0.35c per fully paid ordinary share (fully franked) in respect of the previous financial year, paid 8 September 2008 (2007: 2.00c fully franked). This dividend was declared post 30 June 2008, and as such, was not recognised as a liability at that date	<u>181,016</u>	<u>1,090,245</u>
Dividends not recognised at the end of the half-year		
Proposed fully franked interim dividend - NIL (2007: 0.50c fully franked)	<u>-</u>	<u>270,660</u>

NOTE 3: REPURCHASES OF EQUITY SECURITIES

	Half-year		Half-year	
	2008	2007	2008	2007
	No. of	No. of	\$	\$
	Shares	Shares		
Repurchases of ordinary shares during the half-year				
On-market buy-back of ordinary shares during the half-year	<u>1,133,630</u>	<u>228,866</u>	<u>427,684</u>	<u>221,173</u>

NOTES TO THE FINANCIAL STATEMENTS

for the Half-Year ended 31 December 2008

Clime Investment Management Limited and Controlled Entities

NOTE 4: SEGMENT INFORMATION

Primary Reporting Format – Business Segments

	Funds Management \$	Consulting / Investment Software \$	Direct Investments \$	Total Continuing Operations \$	Consolidated \$
2008					
Segment revenue					
Sales to external customers	606,414	203,058 ¹	-	809,472	809,472
Other revenue	-	-	203,987	203,987	203,987
Total segment revenue	606,414	203,058¹	203,987	1,013,459	1,013,459
Unallocated revenue					35,688
Less: Investment gains on Direct Investments not included in consolidated revenue					-
Consolidated revenue					1,049,147
Segment result					
Segment result	(335,976)	(446,637)	(2,349,303)	(3,131,916)	(3,131,916)
Unallocated revenue less unallocated expenses					(1,036,018)
(Loss) before income tax					(4,167,934)
Income tax benefit					1,191,258
(Loss) for the half-year					(2,976,676)
2007					
Segment revenue					
Sales to external customers	1,063,811	680,809	-	1,744,620	1,744,620
Other revenue	-	-	959,465	959,465	959,465
Total segment revenue	1,063,811	680,809	959,465	2,704,085	2,704,085
Unallocated revenue					18,644
Less: Investment gains on Direct Investments not included in consolidated revenue					(430,132)
Consolidated revenue					2,292,597
Segment result					
Segment result	436,737	6,098	146,315	589,150	589,150
Unallocated revenue less unallocated expenses					(236,039)
Profit before income tax					353,111
Income tax expense					(59,141)
Profit for the half-year					293,970

¹ - In recognition of the increase in the product's service component, the Board has determined that, effective from 1 July 2008, StockVal membership revenue will now be recognised progressively over the life of the memberships. As such, the Group now recognises deferred revenue in respect of its clients' unexpired memberships. The impact of this treatment in the current period is a reduction in revenue recognised of approximately \$397k, representing the unexpired membership component for cash sales of StockVal during the period.

NOTE 5: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

No matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in future financial years.

DIRECTORS' DECLARATION

for the Half-Year ended 31 December 2008

Clime Investment Management Limited and Controlled Entities

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 4 to 10 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance, as represented by the results of its operations and its cash flows, for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Clime Investment Management Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



David Schwartz
Chairman
Sydney
27 February 2009

Independent Auditor's Review Report to the Members of Clime Investment Management Limited

We have reviewed the accompanying half-year financial report of Clime Investment Management Limited, which comprises the balance sheet as at 31 December 2008, and the income statement, cash flow statement, statement of changes in equity for the half-year ended on that date, selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 4 to 11.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Clime Investment Management Limited's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Clime Investment Management Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Auditor's Independence Declaration


In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Clime Investment Management Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.


DELOITTE TOUCHE TOHMATSU


Alfred Nehama
Partner
Chartered Accountants
Sydney, 27th February 2009