

Appendix 4D for the Half Year Ended 31 December 2009

This Half Yearly Report is provided to the Australian Stock Exchange (ASX) under ASX Listing Rule 4.2A.3

Revenue and Net Profit/(Loss) from continuing and discontinued operations

		Percentage Change %	Amount \$'000
Revenue	down	36	to 36,404
Net profit/(loss) after tax attributable to members of the parent entity	up	54	to 3,933

Dividends (Distributions)

	Amount per security	Franked amount per security
Interim dividend – Ordinary	- ¢	- ¢
Interim dividend – Class A	- ¢	- ¢
Record date for determining entitlements to the dividend:		
• interim dividend - Ordinary		Not Applicable
• interim dividend – Class A		Not Applicable

Brief Explanation of Revenue, Net Profit/(Loss) and Dividends (Distributions)

The directors of CMI Limited announced today a profit of \$3.93 million after tax.

The group produced a profit after tax from continuing operations of \$2.96 million. A summary of segment results can be found under Note 10 Segment Reporting of the Half Yearly Report for 31 December 2009.

The Directors have resolved not to pay an interim dividend to ordinary or Class A shareholders.

Net Tangible Assets Per Ordinary Security

	31/12/09 \$	31/12/08 \$
Net tangible assets per ordinary security	\$1.45	\$1.24

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Other Significant Information

Not Applicable

Information on Audit or Review

This preliminary final report is based on accounts to which one of the following applies.

- | | | | |
|--------------------------|--|--------------------------|---|
| <input type="checkbox"/> | The accounts have been audited. | ✓ | The accounts have been subject to review. |
| <input type="checkbox"/> | The accounts are in the process of being audited or subject to review. | <input type="checkbox"/> | The accounts have not yet been audited or reviewed. |

Description of likely dispute or qualification if the accounts have not yet been audited or subject to review or are in the process of being audited or subjected to review.

Not Applicable

Description of dispute or qualification if the accounts have been audited or subjected to review.

Not Applicable

**Results for Announcement to the Market
For the Half Year Ended 31 December 2009**

**Half Yearly Report of CMI Limited for the
Half Year Ended 31 December 2009**

(ABN 98 050 542 553)

Current Reporting Period: Half Year ending 31 December 2009

Previous Corresponding Period: Half Year ending 31 December 2008

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CMI Limited

**Consolidated Statement of Comprehensive Income
For the Half Year Ended 31 December 2009**

	Note	31/12/09 \$'000	31/12/08 \$'000
Revenue	2(a)	36,404	49,087
Other income		370	461
Changes in inventories		(2,169)	1,765
Raw materials expense		(19,386)	(29,236)
Sub-contractors expense		(224)	(1,633)
Employee benefits expense		(6,032)	(7,513)
Repairs, maintenance and consumables expense		(315)	(323)
ASX and share register expense		(81)	(65)
Occupancy expense		(1,479)	(1,364)
Travel and communication expense		(871)	(876)
Freight and cartage expense		(956)	(1,601)
Depreciation and amortisation expense	2(b)	(401)	(1,003)
Finance costs		(203)	(335)
Other expenses		(1,083)	(1,627)
Profit from continuing operations before income tax expense		3,574	5,737
Income tax		(616)	(2,086)
Profit for the period from continuing operations after income tax expense		2,958	3,651
Discontinued operations			
Profit/(Loss) for the period from discontinued operations	11	975	(1,091)
Profit for the period		3,933	2,560
Other comprehensive income			
Foreign currency translation		23	-
Other comprehensive income for the period, net of tax		23	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		3,956	2,560
Profit for the period is attributable to the owners of the parent		3,933	2,560
Total comprehensive income for the period is attributable to the owners of the parent		3,956	2,560
<i>Earnings Per Share:</i>			
From continuing and discontinued operations:			
Basic (cents per share)	7	11.65	7.59
Diluted (cents per share)	7	11.65	7.59
From continuing operations:			
Basic (cents per share)	7	8.76	10.82
Diluted (cents per share)	7	8.76	10.82

Notes to the financial statements are included on pages 6 to 22

CMI Limited

**Consolidated Statement of Financial Position
As at 31 December 2009**

	Note	31/12/09 \$'000	30/6/09 \$'000
Current Assets			
Cash and cash equivalents	4(a)	5,702	1,342
Trade and other receivables		12,836	13,125
Other financial assets		-	-
Inventories		19,636	20,881
Current tax assets		-	-
Total Current Assets		38,174	35,348
Non-Current Assets			
Other financial assets	12	16,500	16,500
Property, plant and equipment		4,341	4,662
Goodwill		6,850	6,850
Other intangible assets		1,423	1,140
Deferred tax assets		294	820
Total Non-Current Assets		29,408	29,972
Total Assets		67,582	65,320
Current Liabilities			
Trade and other payables		7,321	7,455
Borrowings		669	490
Current tax payables		382	744
Provisions	3	1,526	1,261
Total Current Liabilities		9,898	9,950
Non-Current Liabilities			
Borrowings		433	1,570
Deferred tax liabilities		-	-
Provisions		45	550
Total Non-Current Liabilities		478	2,120
Total Liabilities		10,376	12,070
Net Assets		57,206	53,250
Equity			
Issued Capital		70,103	70,103
Reserves		185	162
Retained earnings		(13,082)	(17,015)
Total Equity		57,206	53,250

Notes to the financial statements are included on pages 6 to 22

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CMI Limited

**Consolidated Statement of Changes in Equity
For the Half Year Ended 31 December 2009**

	Issued Capital	Foreign Currency Translation Reserves	Employee Share Benefits Reserve	Retained Earnings	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2009	70,103	-	162	(17,015)	53,250
Profit for the period	-	-	-	3,933	3,933
Net foreign exchange differences	-	23	-	-	23
Total comprehensive income for the half-year	-	23	-	3,933	3,956
Transactions with owners in their capacity as owners	-	-	-	-	-
Balance at 31 December 2009	70,103	23	162	(13,082)	57,206
At 1 July 2008	70,103	-	162	(15,536)	54,729
Profit for the period	-	-	-	2,560	2,560
Net foreign exchange differences	-	-	-	-	-
Total comprehensive income for the half-year	-	-	-	2,560	2,560
Transactions with owners in their capacity as owners	-	-	-	-	-
Balance at 31 December 2008	70,103	-	162	(12,976)	57,289

Notes to the financial statements are included on pages 6 to 22

**Consolidated Cash Flow Statement
For the Half Year Ended 31 December 2009**

	<u>Note</u>	<u>31/12/09 \$'000</u>	<u>31/12/08 \$'000</u>
<i>Cash Flows From Operating Activities</i>			
Receipts from customers		40,954	65,004
Payments to suppliers and employees		(34,458)	(62,216)
Interest and other costs of finance paid		(160)	(286)
Income tax paid/(refunded)		(81)	160
Net cash provided by operating activities	4(e)	<u>6,255</u>	<u>2,662</u>
<i>Cash Flows From Investing Activities</i>			
Interest received		608	778
Payment for property, plant and equipment		(1,068)	(102)
Proceeds from sale of property, plant and equipment		78	97
Payment for deferred expenditure		(382)	(773)
Loan to Associate		-	(520)
Repayment of loan		-	1,000
Proceeds sale investments		326	82
Acquisition of subsidiary/investment	4(b)	(608)	(481)
Net cash provided by investing activities		<u>(1,046)</u>	<u>81</u>
<i>Cash Flows From Financing Activities</i>			
Proceeds from borrowings		407	344
Repayment of borrowings		(1,279)	(4,777)
Dividends paid		-	-
Net cash (used in) financing activities		<u>(872)</u>	<u>(4,433)</u>
<i>Net Increase/(Decrease) In Cash and Cash Equivalents</i>		4,337	(1,690)
<i>Cash and Cash Equivalents At The Beginning Of The Financial Period</i>			
Net foreign exchange differences		1,342	2,667
		23	-
<i>Cash and Cash Equivalents At The End Of The Financial Period</i>	4(a)	<u>5,702</u>	<u>977</u>

Notes to the financial statements are included on pages 6 to 22

**Notes to the Financial Statements
For the Half Year Ended 31 December 2009**

Note	Contents
1	Summary of Accounting Policies
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3	Subsequent Events
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12	Other Non-Current Financial Assets

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**Notes to the Financial Statements
For the Half Year Ended 31 December 2009**

1. Summary of Accounting Policies

Statement of Compliance

The half year financial report is a condensed general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the 2009 annual financial report.

Basis of Preparation

The half year financial report has been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half year financial report have been rounded off to the nearest thousand dollars, unless otherwise indicated.

This half-year consolidated financial report has been prepared by adopting accounting policies that are consistent with those adopted in the annual financial statements for the year ended 30 June 2009, with the exception of revisions to Australian Accounting Standards that have occurred on or after 1 July 2009.

AASB101R *Presentation of Financial Statements* has introduced a Statement of Comprehensive Income that combines all items of income and expense recognised in profit or loss together with other comprehensive income, while AASB 8 *Operating Segments* introduces a management reporting approach to the group's operating segments based on measures used by the chief operating decision maker. AASB 3R *Business Combinations* has introduced changes to the accounting for business combinations which allows an entity certain measurement choices for each business combination entered into. These standards have been adopted and disclosed as part of the interim financial report.

All other revisions have been assessed to require no change in accounting policies nor are they expected to result in any significant impact upon reported results.

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Notes to the Financial Statements
For the Half Year Ended 31 December 2009

	31/12/09 \$'000	31/12/08 \$'000
2. Profit From Operations		
Profit from ordinary activities before income tax includes the following items of revenue and expense:		
(a) Revenue		
Continuing operations		
Sales of goods	35,796	47,311
Interest – other persons	608	1,776
	36,404	49,087
Discontinued operations		
Sales of goods	-	104
Sales of services	-	7,275
	-	7,379
	36,404	56,466
(b) Expenses		
Continuing operations		
Depreciation and amortisation of:		
Property, plant and equipment	(237)	(290)
Leased assets	(64)	(95)
Brandnames	-	(71)
Other intangibles	(100)	(547)
	(401)	(1,003)
Discontinued operations		
Depreciation and amortisation of:		
Property, plant and equipment	-	(73)
Leased assets	-	-
Brandnames	-	-
	-	(73)

3. Subsequent Events

On 2 February 2010 CMI Limited signed a Deed of Settlement and Release relating to their sale of the remaining 49% interest in Capitalcorp Financing & Leasing Pty Ltd (Capitalcorp) and the liabilities arising from the associated Share Sale Agreement (and amendments) completed on 20 August 2009. CMI as a party to the Deed of Settlement and Release reached a final settlement and release on all outstanding obligations and liabilities in relation to Capitalcorp. The agreed settlement sum amounted to \$317,299.

As at 30 June 2009 a restructuring provision of \$663,000 had been provided to fund the losses incurred by Capitalcorp from the sale of 49% of shares in the company on 15 June 2009. CMI has limited the commitments owing from the sale of CapitalCorp by entering the Deed of Settlement and Release. As such the provision for restructuring costs has been adjusted to \$389,700 to accurately reflect the actual liabilities and obligations existing at 31 December 2009.

**Notes to the Financial Statements
For the Half Year Ended 31 December 2009**

3. Subsequent Events (continued)

There has not been any other matter or circumstance, other than that referred to above, in the financial statements or notes thereto, that has arisen since the end of the period, that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

31/12/09	31/12/08
\$'000	\$'000

4. Notes to the Statement of Cash Flows

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial period as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash	5,702	977
Bank Overdraft	-	-
	5,702	977
	5,702	977

(b) Non-Cash Financing and Investing Activities

During the financial period, the economic entity acquired plant and equipment with an aggregate fair value of \$nil (2008: \$353,000) by means of finance leases. These acquisitions are not reflected in the statement of cash flows.

(c) Financing Facilities

A multi-option and bill acceptance/discount facility with the National Australia Bank, reviewed annually:

Amount used	-	4,500
Amount unused	9,000	19,200
	9,000	23,700
	9,000	23,700

A finance lease facility with the National Australia Bank, reviewed annually:

Amount used	770	1,125
Amount unused	3,080	2,725
	3,850	3,850
	3,850	3,850

**Notes to the Financial Statements
For the Half Year Ended 31 December 2009**

31/12/09 31/12/08
\$'000 \$'000

4. Notes to the Statement of Cash Flows (continued)

(d) Reconciliation of Profit for the Period to Net Cash Flows From Operating Activities

Profit/(loss) for the period	3,933	2,560
(Gain)/loss on disposal of non-current assets	(79)	(658)
Depreciation and amortisation of non-current assets	401	1,076
Interest income received and receivable	(608)	(1,778)
Finance lease interest	37	50
Payment for investment	-	481
Impairment of non-current assets	-	833
Unrealised foreign exchange (gain)/loss	-	-
Increase/(decrease) in current tax liability	690	878
Increase/(decrease) in deferred tax balances	(526)	326
Changes in net assets and liabilities, net of effects from acquisition of businesses:		
(Increase)/decrease in assets:		
Current receivables	753	4,914
Current inventories	2,151	(2,083)
Increase/(decrease) in liabilities:		
Current payables	(531)	(4,563)
Current borrowings	-	32
Current provisions	33	504
Non-current provisions	1	90
Net cash from operating activities	6,255	2,662

5. Business Combination

Businesses Acquired

On 1 October 2009, TJM Shenzhen acquired the business and assets of DaHe Automotive Supplies Ltd ("DaHe"). At the date of acquisition, DaHe Automotive Supplies Ltd was involved in the manufacturing, operating and development of auto-related components and parts, supplementary equipment and accessories, gifts, mechanical products and electronic products. The Group has recognised the fair values of the identifiable assets and liabilities.

31/12/09
\$'000

Consideration

Cash and cash equivalents	647
	647

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**Notes to the Financial Statements
For the Half Year Ended 31 December 2009**

31/12/09
\$'000

5. Business Combination (continued)

Fair Value of Net Assets Acquired

Current assets:	
Cash and cash equivalents	39
Receivables	81
Inventories	466
Deposits	10
Non-current assets:	
Intangibles	-
Property, plant and equipment	348
Deferred tax assets	-
Current liabilities:	
Payables	(297)
Current tax liabilities	-
Non-current liabilities:	
Provisions	-
Net assets acquired	647
Brandname on acquisition	-
Goodwill on acquisition	-
	<u>647</u>

Net Cash Outflow on Acquisition

Cash and cash equivalents consideration	647
Less cash and cash equivalents balances acquired	39
	<u>608</u>

Control gained over entities

Year	Name of entity (or group of entities)	Date control gained	% Acquired
2009	TJM Shenzhen Ltd	01/10/09	100%
2008	Not Applicable	Not Applicable	Not Applicable

The consolidated statement of comprehensive income includes sales revenue and net profit/(loss) for the half year ended 31 December 2009 of \$432,000 and \$76,000 respectively, as a result of the acquisition of TJM Shenzhen Ltd.

CMI have determined it impracticable to disclose the sales revenue and profit/(loss) included in the consolidated statement of comprehensive income had the acquisition of TJM Shenzhen Ltd occurred at the beginning of the reporting period. CMI have assessed that an objective determination of the sales revenue and net profit since the beginning of the reporting period was not able to be made and as such disclosure has not been made.

**Notes to the Financial Statements
For the Half Year Ended 31 December 2009**

6. Details Relating to Dividends (Distributions)

		Amount per security ¢	Franked Amount per security ¢
Interim dividend – Ordinary	2010	-	-
Final dividend – Ordinary	2009	-	-
Interim dividend – Class A	2010	-	-
Final dividend – Class A	2009	-	-
Interim dividend – Ordinary	2009	-	-
Final dividend – Ordinary	2008	-	-
Interim dividend – Class A	2009	-	-
Final dividend – Class A	2008	-	-

Interim dividend (distribution) on all securities

	31/12/09 \$'000	31/12/08 \$'000
Ordinary securities (each class separately)	-	-
Class A (each class separately)	-	-
Total	-	-

Any other disclosures in relation to dividends (distributions):

The Directors have proposed to not pay an interim dividend in respect of ordinary shares and Class A shares for the half year ended 31 December 2009.

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**Notes to the Financial Statements
For the Half Year Ended 31 December 2009**

7. Earnings Per Share

	31/12/09 ¢ per share	31/12/08 ¢ per share
Basic EPS		
From continuing operations	8.76	10.82
From discontinued operations	2.89	(3.23)
Total basic earnings per share	11.65	7.59
Diluted EPS		
From continuing operations	8.76	10.82
From discontinued operations	2.89	(3.23)
Total basic earnings per share	11.65	7.59

Basic Earnings per Share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	31/12/09 \$'000	31/12/08 \$'000
Net profit/(loss)	3,933	2,560
Class A share dividends provided for or paid	-	-
Earnings used in the calculation of basic EPS from continuing and discontinued operations	3,933	2,560
Adjustments to exclude (profit)/loss for the period from discontinued operations	(975)	1,091
Earnings used in the calculation of basic EPS from continuing operations	2,958	3,651
	31/12/09 No. '000	31/12/08 No. '000
Weighted average number of ordinary shares (a)	33,753	33,753

- (a) Options are considered to be potential ordinary shares and are therefore excluded from the weighted average number of ordinary shares used in the calculation of basic earnings per share. Where dilutive, potential ordinary shares are included in the calculation of diluted earnings per share (refer below).

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**Notes to the Financial Statements
For the Half Year Ended 31 December 2009**

7. Earnings Per Share (continued)

Diluted Earnings per Share

The earnings and weighted average number of ordinary and potential ordinary shares used in the calculation of diluted earnings per share are as follows:

	31/12/09 \$'000	31/12/08 \$'000
Net profit/(loss)	3,933	2,560
Class A share dividends provided for or paid	-	-
Earnings used in the calculation of diluted EPS from continuing and discontinued operations	3,933	2,560
Adjustments to exclude (profit)/loss for the period from discontinued operations	(975)	1,091
Earnings used in the calculation of diluted EPS from continuing operations	2,958	3,651
	31/12/09 No. '000	31/12/08 No. '000
Weighted average number of ordinary shares and potential ordinary shares (a), (b)	33,753	33,753

- (a) Weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	31/12/09 No. '000	31/12/08 No. '000
Weighted average number of ordinary shares used in the calculation of basic EPS	33,753	33,753
Shares deemed to be issued for no consideration in respect of:		
Partly paid ordinary shares	-	-
Class A shares	-	-
Weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted EPS	33,753	33,753

- (b) Class A shares are excluded on the basis that they are not convertible to ordinary shares. Share options are excluded on the basis that they are not dilutive. The company does not expect that the options will be exercised and hence the options are not considered to be dilutive.

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**Notes to the Financial Statements
For the Half Year Ended 31 December 2009**

8. Details of Associates and Joint Venture Entities

Name of Entity	Ownership Interest		Contribution to net profit	
	31/12/09 %	31/12/08 %	31/12/09 \$'000	31/12/08 \$000
Associates				
Capitalcorp Finance & Leasing Pty Ltd	-	49	-	-
Joint Venture Entities				
	-	-	-	-
Aggregate Share of Profits/ (Losses)	-	(58)	-	-

The carrying value of the investment in Capitalcorp Finance & Leasing Pty Ltd (Capitalcorp) was recognised as \$nil at 30 June 2009. All liabilities incurred by CMI due to losses arising from Capitalcorp have been captured in the provision for restructure at note 3.

9. Contingent Liabilities, Contingent Assets and Commitments

	31/12/09 \$'000	31/12/08 \$'000
<i>Contingent liabilities</i>		
Guarantees issued to bank in respect of overseas purchases, lease of premises and restructure costs	933	2,154

At 31 December 2008 CMI had entered into shareholder arrangements in relation to Capitalcorp which would, in addition to its position as a shareholder supporting the business, require it to fund further restructuring initiatives in respect of the Capitalcorp business. The estimated contingent liability for these restructure costs was \$2 million. At 31 December 2009 no contingent liability was present and the amount was recorded as an actual liability. See note 3.

**Notes to the Financial Statements
For the Half Year Ended 31 December 2009**

9. Contingent Liabilities and Contingent Assets (continued)

Contingent assets

Option to purchase

Associated with the sale of the Engineering business and a vendor loan provided by CMI Limited was an option granted to CMI Limited to purchase a portion of the entity that acquired the Engineering business should certain trigger events such as failure to repay the vendor loan, failure to transfer certain leases or failure to settle creditors occur. This option will remain in existence for a period of three years, expiring in 2011 or less should the vendor loan be repaid. Exercise of the option by CMI would require the surrender of the vendor loan. The directors have assessed the fair value of this option as \$nil at 31 December 2008 and 31 December 2009.

TJM Warehouse Fire

On 16 October 2009 a fire took place at the head office of the TJM business Unit. As a result of this fire the TJM and Corporate business units of CMI Limited incurred interruptions to business and trading activities. The CMI Limited Group carries appropriate and adequate Fire and Business Interruption insurance for these events and disruptions.

The insurance company has accepted the claim, however, it is yet to be quantified and therefore, only the carrying values of the assets and the related costs have been deferred, the recovery of these deferred amounts are probable and any amount above the deferred costs received subsequently will be accounted for in the period when the claim is received. An asset of \$1,221,000 has been recorded as 31 December 2009.

At 31 December 2009 management was compiling and working with CMI's insurance providers to assemble documentation and evidence to allow the receipt by CMI Limited of compensation for business interruption and other lost profits. At the date of this report the amount of this loss is not quantified and no asset has been recorded for the anticipated receipt of monies associated with this claim.

Commitments

TJM Shenzhen Capital Commitment

At 31 December 2009 CMI Limited have a commitment to contribute A\$48,680 (US\$43,660) in capital by 30 September 2011. The commitment relates to contributions to the registered capital of the company in accordance with TJM Shenzhen's articles of association.

Notes to the Financial Statements
For the Half Year Ended 31 December 2009

10. Operating Segments

Information on reportable operating segments from continuing operations:

BUSINESS	CONTINUING OPERATIONS							
	TJM Products – Domestic		TJM Product – Overseas		Electrical Components		Consolidated	
	31/12/09 \$'000	31/12/08 \$'000	31/12/09 \$'000	31/12/08 \$'000	31/12/09 \$'000	31/12/08 \$'000	31/12/09 \$'000	31/12/08 \$'000
REVENUE								
External sales	14,142	20,461	161	-	21,493	26,850	35,796	47,311
Intersegment sales (i)	-	-	271	-	-	-	271	-
Other revenue	-	-	-	-	-	-	-	-
Total Segment Revenue	14,142	20,461	432	-	21,493	26,850	36,067	47,311
Interest income							608	1,776
Dividend income							-	5,000
Inter-segment eliminations							(271)	(5,000)
Total revenue per the statement of comprehensive income							<u>36,404</u>	<u>49,087</u>
RESULT								
Segment result	(1,067)	(1,852)	76	-	5,030	7,044	4,039	5,192
Reconciliation of segment net profit before tax to net profit/loss before tax								
Interest income							608	1,776
Employee benefits							(476)	(410)
ASX and share register expense							(81)	(65)
Borrowing costs							(166)	(286)
Other expenses from ordinary activities							(350)	(470)
Net profit before tax per the statement of comprehensive income							<u>3,574</u>	<u>5,737</u>

- (i) Intersegment transactions that occurred during the financial year in the wholly-owned group comprised the sale and purchase of goods at cost plus a margin to cover freight and other incidentals where applicable.

Notes to the Financial Statements
For the Half Year Ended 31 December 2009

10. Operating Segments (continued)

BUSINESS	TJM Products – Domestic		TJM Product – Overseas		Electrical Components		Consolidated	
	31/12/09 \$'000	31/12/08 \$'000	31/12/09 \$'000	31/12/08 \$'000	31/12/09 \$'000	31/12/08 \$'000	31/12/09 \$'000	31/12/08 \$'000
SEGMENT ASSETS								
Segment operating assets	15,434	26,702	1,295	-	27,900	31,935	44,629	58,637
Reconciliation of segment assets to the statement of financial position								
Cash and cash equivalents							5,234	528
Other financial assets							16,500	15,000
Future income tax benefits							652	1,256
Property, Plant & Equipment							7	8
Other assets							407	638
Intersegment Eliminations							153	(1,534)
Total assets from continuing operations per the statement of financial position							67,582	74,533

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**Notes to the Financial Statements
For the Half Year Ended 31 December 2009**

10. Operating Segments (continued)

Products and Services within each Business Segment

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on the service line, product sold and whether domestic or overseas. Discrete financial information about each of these operating businesses is reported to the executive management team on at least a monthly basis.

The reportable segments are based on aggregated operating segments determined by the similarity of the products produced and sold and/or the services provided, as these are the sources of the Group's major risks and have the most effect on the rates of return.

Continuing operations:

- Electrical Components – the manufacture of specialist cabling and electrical products for a range of industry sectors.
- TJM – the manufacture and marketing of components and parts for 4WD, light commercial and heavy transport vehicles.
 - Domestic - manufactures and sells a broad range of its products in Australia.
 - Overseas - operates a manufacturing 4WD components facility in Shenzhen.

At 31 December 2009 the Group operated in Australia and owned a subsidiary in China. At 31 December 2008 the Group operated only in Australia.

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**Notes to the Financial Statements
For the Half Year Ended 31 December 2009**

11. Discontinued Operations

	Consolidated					
	31/12/09			31/12/08		
	Enginee- ring \$'000	Capital Corp \$'000	Total \$'000	Enginee- ring \$'000	Capital Corp \$'000	Total \$'000
Revenue	-	-	-	104	7,275	7,379
Expenses	(30)	-	(30)	(65)	(9,374)	(9,439)
Gross profit/(loss)	(30)	-	(30)	39	(2,099)	(2,060)
Recoverable expenses	241	-	241	-	-	-
Gain on disposal	-	393	393	-	760	760
Finance costs	-	-	-	-	-	-
Impairment	-	-	-	-	(833)	(833)
Profit/(Loss) before tax from discontinued operations	211	393	604	39	(2,172)	(2,133)
Income Tax	371	-	371	578	464	1,042
Profit/(Loss) from discontinued operations	582	393	975	617	(1,708)	(1,091)

Loss of control of entities

Year	Name of entity (or group of entities)	Date control lost
2009	Not Applicable	Not Applicable
2008	Capitalcorp Finance & Leasing Pty Ltd and subsidiaries	30/11/08

Contribution of the controlled entity (or group of entities) to profit/(loss) from ordinary activities during the period, to the date of losing control.

**31/12/09
\$'000**

-

Contribution of the controlled entity (or group of entities) to profit/(loss) from ordinary activities for the whole of the previous corresponding period.

**31/12/08
\$'000**

(1,708)

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**Notes to the Financial Statements
For the Half Year Ended 31 December 2009**

11. Discontinued Operations (continued)

Discontinued operations

During the prior financial year CMI Limited sold 51% of its shares in Capitalcorp Finance & Leasing Pty Ltd to a private investor consortium. CMI Limited funded the losses of the business until 30 June 2009. Losses up to 30 June 2009 of \$421,000 were recognised. At 30 June 2009 CMI Limited was a party to a deed of cross-guarantee with this subsidiary pursuant to ASIC Class Order 98/1418. This cross-guarantee expired 19 August 2009. The remaining 49% of the share sale in Capitalcorp Finance & Leasing Pty Ltd was settled on 20 August 2009 and the proceeds are included in the current period.

On 1 April 2008, CMI Limited sold all the engineering division, other than TJM Products Pty Ltd, to CMI Industrial Pty Ltd, an entity controlled by CMI Limited's former managing director, Mr Max Hofmeister. There have been costs associated with these discontinued operations in the current period.

The results of the discontinued operations which have been included in the income statement are as follows. The comparative profit and cash flows from discontinued operations have been re-presented to include those operations classified as discontinued in the current period:

	31/12/09	31/12/08
	\$'000	\$'000
Revenue	-	7,379
Other income	393	409
Recoverable expenses	241	-
Changes in inventories	-	(244)
Raw materials expense	-	204
Sub-contractors expense	-	-
Employee benefits expense	-	(6,840)
Repairs, maintenance and consumables expense	-	-
Occupancy expense	-	(571)
Travel and communication expense	-	(512)
Freight and cartage expense	-	(4)
Depreciation and amortisation expense	-	(73)
Finance costs	-	-
Other expenses	(30)	(1,881)
	604	(2,133)
Profit/(Loss) before income tax expense		
Income tax	371	1,042
	975	(1,091)
Gain/(Loss) on re-measurement to fair value less costs to sell	-	-
Income tax	-	-
	-	-
Profit/(Loss) for the year from discontinued operations	975	(1,091)

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**Notes to the Financial Statements
For the Half Year Ended 31 December 2009**

11. Discontinued Operations (continued)

	31/12/09 \$'000	31/12/08 \$'000
Cash flows from discontinued operations:		
Net cash flows from operating activities	(30)	(474)
Net cash flows from investing activities	300	5,449
Net cash flows from financing activities	-	(5,000)
Net cash flows	270	(25)

The major classes of assets and liabilities comprising the operations classified as held for sale at balance date were \$nil (2008: \$nil).

12. Other Non-Current Financial Assets

Other receivables

Loan receivable	16,500	15,000
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Associated with the sale of the engineering business was a loan provided by CMI Limited to the purchaser to purchase the business with a \$17 million face value. The loan instrument has embedded in it an early repayment discount features that allow for discounts of up to \$3 million. This discount decreases in proportion to the amount of early repayments until the expiry of the three year term of the loan. The loan bears interest on normal terms. The loan is secured by a second ranking fixed and floating charge over CMI Industrial Pty Ltd behind the National Australia Bank and a personal guarantee from M.J. Hofmeister of \$2.5 million.

On recognition the directors assessed the fair value of this loan to be \$14 million and not its face value of \$17 million. Any premium received above \$14 million will be recorded as interest income. As at 31st December 2008 one discount repayment period had expired and the directors expected the second discount period to expire in April 2009 and the loans fair value was recorded as \$15.0 million. As at 31 December 2009 three discount repayment periods had expired and the directors expect the fourth and fifth discount periods to expire in April and October 2010. The directors consider the loan to be carried at its fair value of \$16.5 million.

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CMI LIMITED
DIRECTORS' REPORT

The directors of CMI Limited submit herewith the financial report for the half-year ended 31 December 2009. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

The names of the directors of the company during or since the end of the half-year are:

Name

Colin G. Ryan (Chairman)
Raymond D. Catelan (Director)
Danny Herecg (Director)
Richard D. Catelan (Executive Director)

The above named directors held office during and since the end of the half-year.

REVIEW OF OPERATIONS

Revenue for the half-year from continuing and discontinued operations was \$36,404 thousand (2008: \$56,466 thousand). The company's profit after tax from continuing and discontinued operations was \$3,933 thousand (2008: \$2,560 thousand).

INDEPENDENCE DECLARATION BY AUDITORS

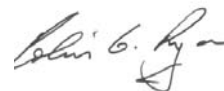
The auditor's independence declaration is included on page 25.

ROUNDING OFF OF AMOUNTS

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the directors made pursuant to s.306 (3) of the *Corporations Act 2001*.

On behalf of the Directors



Colin G. Ryan
Chairman



Raymond D. Catelan
Director

BRISBANE

Dated: 23 February 2010

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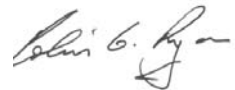
CMI LIMITED
DIRECTORS' DECLARATION
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

In accordance with a resolution of the directors of CMI Limited, I state that:

In the opinion of the directors:

- (a) The financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
- (i) Giving a true and fair view of the financial position as at 31 December 2009 and the performance for the half-year ended on that date of the consolidated entity.
 - (ii) Complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.
- (b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Directors



Colin G. Ryan
Chairman



Raymond D. Catelan
Director

BRISBANE

Dated: 23 February 2010

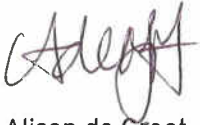
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Auditor's Independence Declaration to the Directors of CMI Limited

In relation to our review of the financial report of CMI Limited for the half-year ended 31 December 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



Ernst & Young



Alison de Groot
Partner
23 February 2010

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To the members of CMI Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of CMI Limited, which comprises the consolidated statement of financial position as at 31 December 2009, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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 controls 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 Interim and Other Financial Reports 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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 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 CMI Limited and the entities it controlled during the half-year, 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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

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 CMI Limited is not in accordance with the *Corporations Act 2001*, including:

- i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half year ended on that date; and
- ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Ernst & Young



Alison de Groot
Partner
Brisbane
23 February 2010

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