

**Results For Announcement To The Market
For the Financial Year Ended 30 June 2010**

**Preliminary Final Report of CMI Limited for
the Financial Year Ended 30 June 2010**

(ABN 98 050 542 553)

This Preliminary Final Report is provided to the Australian Stock Exchange (ASX) under ASX Listing Rule 4.3A.

Current Reporting Period: Financial Year Ended 30 June 2010

Previous Corresponding Period: Financial Year Ended 30 June 2009

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CMI Limited

Results For Announcement To The Market For the Financial Year Ended 30 June 2010

Revenue and Net Profit/(Loss)

		Percentage Change %	Amount \$'000
Revenue from continuing operations	Down	4	to 83,142
Net profit from continuing ordinary activities after tax attributable to member	Down	49	to (1,440)
Net profit after tax attributable to members from continuing operations	Down	49	to (1,440)

Dividends (Distributions)

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

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

The directors of CMI Limited announce today a loss of \$449 thousand after tax. The result includes a pre tax impairment loss of \$8.0 million from the write-down of the loan receivable.

The Directors have therefore resolved not to pay a final dividend to Ordinary or Class A shareholders.

The group produced a loss after tax from continuing operations of \$1.4 million. A summary of all segment results can be found in Note 11 Segment reporting.

Net Tangible Assets Per Ordinary Security

	2010	2009
Net tangible assets per ordinary security	\$1.31	\$1.34

CMI Limited

**Consolidated Statement of Comprehensive Income
For the Financial Year Ended 30 June 2010**

Continuing Operations	Note	2010 \$'000	2009 \$'000
Revenue	2(a)	83,142	86,995
Other income		842	891
Changes in inventories		(164)	(1,429)
Raw materials expense		(46,407)	(48,296)
Sub-contractors expense		(625)	(1,849)
Employee benefits expense		(12,250)	(14,343)
Repairs, maintenance and consumables expense		(800)	(643)
ASX and share register expense		(111)	(117)
Occupancy expense		(3,613)	(2,856)
Travel and communication expense		(1,753)	(1,816)
Freight and cartage expense		(2,393)	(2,845)
Depreciation and amortisation expense		(867)	(2,078)
Borrowing costs		(298)	(502)
Impairment expense		(8,126)	(8,386)
Write off assets damaged in fire		(3,536)	-
Other expenses from ordinary activities		(2,069)	(3,670)
<i>Profit/(Loss) from continuing operations before income tax expense</i>	2	972	(944)
Income tax	13	(2,412)	(21)
<i>Profit/(Loss) from continuing operations after income tax expense</i>		(1,440)	(965)
<i>Profit/(Loss) from discontinued operations net of income tax</i>	12	991	(514)
<i>Profit/(Loss) for the year</i>		(449)	(1,479)
Other comprehensive income			
Foreign currency translation		80	-
Other comprehensive income for the year, net of tax		80	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(369)	(1,479)
Profit/(Loss) for the year is attributable to the owners of the parent		(369)	(1,479)
Total comprehensive income for the year is attributable to the owners of the parent		(369)	(1,479)
<i>Earnings Per Share from continuing operations:</i>			
Basic (cents per share)	7	(4.27)	(2.86)
Diluted (cents per share)	7	(4.27)	(2.86)
<i>Earnings Per Share from continuing and discontinuing operations:</i>			
Basic (cents per share)		(1.33)	(4.38)
Diluted (cents per share)		(1.33)	(4.38)

Notes to the financial statements are included on pages 7 to 26

CMI Limited

Consolidated Statement of Financial Position As At 30 June 2010

	Note	2010 \$'000	2009 \$'000
Current Assets			
Cash and cash equivalents	5	9,052	1,342
Trade and other receivables		14,794	13,125
Inventories		20,685	20,881
Total Current Assets		44,531	35,348
Non-Current Assets			
Property, plant and equipment		4,297	4,662
Other financial assets	14	8,500	16,500
Goodwill		6,850	6,850
Other intangible assets		1,783	1,140
Deferred tax assets		495	820
Total Non-Current Assets		21,925	29,972
Total Assets		66,456	65,320
Current Liabilities			
Trade and other payables		8,737	7,455
Borrowings		257	490
Current tax payables		2,501	744
Provisions		1,449	1,261
Total Current Liabilities		12,944	9,950
Non-Current Liabilities			
Borrowings		331	1,570
Provisions		300	550
Total Non-Current Liabilities		631	2,120
Total Liabilities		13,575	12,070
Net Assets		52,881	53,250
Equity			
Issued Capital		70,103	70,103
Reserves		242	162
Accumulated losses		(17,464)	(17,015)
Total Equity		52,881	53,250

Notes to the financial statements are included on pages 7 to 26

CMI Limited

**Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2010**

	Issued Capital	Reserves	Retained Earnings/ Accumulated Losses	Total Equity
	\$'000	\$'000	\$'000	\$'000
At 1 July 2008	70,103	162	(15,536)	54,729
Profit/(Loss) for the period	-	-	(1,479)	(1,479)
Net foreign exchange differences	-	-	-	-
Total comprehensive income for the year	-	-	(1,479)	(1,479)
Transactions with owners in their capacity as owners	-	-	-	-
At 1 July 2009	70,103	162	(17,015)	53,250
Profit/(Loss) for the period	-	-	(449)	(449)
Net foreign exchange differences	-	80	-	80
Total comprehensive income for the year	-	80	(449)	(369)
Transactions with owners in their capacity as owners	-	-	-	-
At 30 June 2010	70,103	242	(17,464)	52,881

Notes to the financial statements are included on pages 7 to 26

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Consolidated Cash Flow Statement For the Financial Year Ended 30 June 2010

	Note	2010 \$'000	2009 \$'000
Cash Flows From Operating Activities			
Receipts from customers		85,082	103,600
Payments to suppliers and employees		(78,908)	(96,652)
Interest and other costs of finance paid		(220)	(407)
Income tax paid		40	1,959
Insurance recovery relating to fire		4,017	-
Net cash provided by/(used in) operating activities	5(d)	10,011	8,500
Cash Flows From Investing Activities			
Interest received		1,362	1,312
Payment for property, plant and equipment		(803)	(772)
Proceeds from sale of property, plant and equipment		166	287
Loan to associate		-	(1,125)
Repayment of loan		-	1,000
Payment for acquisition of business	8	(647)	-
Proceeds from sale of business	12(e)	300	82
Payment for other intangible assets		(877)	(1,925)
Payment from sale of business		(347)	(569)
Net cash provided by/(used in) investing activities		(846)	(1,710)
Cash Flows From Financing Activities			
Proceeds from borrowings		-	401
Payment of finance liabilities		(537)	(487)
Repayment of borrowings		(1,000)	(8,029)
Dividends paid		-	-
Net cash provided by/(used in) financing activities		(1,537)	(8,115)
Net Increase/(Decrease) In Cash and Cash Equivalents		7,628	(1,325)
Cash and Cash Equivalents At The Beginning Of The Financial Year		1,342	2,667
Effects of exchange rate changes on the balance of cash held in foreign currencies		82	-
Cash and Cash Equivalents At The End Of The Financial Year		9,052	1,342

Notes to the financial statements are included on pages 7 to 26

**Notes to the Financial Statements
For the Financial Year Ended 30 June 2010**

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**Notes to the Financial Statements
For the Financial Year Ended 30 June 2010**

1. Basis of Preparation

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

This condensed financial report has been prepared in order to comply with ASX listing rules.

This report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that this report be read in conjunction with the annual report for the year ended 30 June 2009, the interim financial report for the half-year ended 31 December 2009 and considered together with any public announcements made by CMI Limited during the year ended 30 June 2010 in accordance with the continuous disclosure obligations of the ASX listing rules.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

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**Notes to the Financial Statements
For the Financial Year Ended 30 June 2010**

	2010 \$'000	2009 \$'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	77,763	83,165
Interest – other persons	1,362	3,810
Insurance recovery relating to fire	4,017	-
Other Items	-	20
	83,142	86,995
Discontinued operations		
Sales of goods	-	104
Sales of services	-	7,488
	-	7,592
	83,142	94,587
(b) Profit before income tax – continuing operations		
Profit before income tax has been arrived at after crediting/(charging) the following gains and losses from continuing operations:		
Gain/(loss) on disposal of property, plant and equipment	55	(1,058)
Net foreign exchange gains/(losses)	29	(216)
	84	(1,274)
Profit before income tax from continuing operations has been arrived at after charging the following expenses:		
Cost of sales	49,488	56,316
Net bad and doubtful debts	17	39
Depreciation and amortisation of:		
Property, plant and equipment	528	606
Leased assets	104	164
Brand names	-	142
Other intangibles	235	1,166
	867	2,078
Impairment Expense:		
Loan receivable	8,000	-
Goodwill	-	1,468
Capitalised Development	-	2,275
Brand name	-	4,220
Property, plant & equipment	126	423
	8,126	8,386

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**Notes to the Financial Statements
For the Financial Year Ended 30 June 2010**

3. Subsequent Events

There has not been any other matter or circumstance, 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.

4. Commentary

Continuing operations comprise the Electrical Division and TJM Products Division.

The Electrical Division produced a pre-tax profit of \$10.9m, a decrease of \$1.0m on the 2009 year. Revenue decreased to \$45.6m, 7% (or \$3.5m) down on last year. The first six months were still impacted by the affects of the global economic crisis. The second six months saw a recovery in the mining sector which reflected in sales and margin. The Cable sector remained through the whole financial year highly competitive.

The TJM Products Division (excluding intercompany eliminations) produced a pre-tax loss of \$1.4m. Revenue increased to \$36.2m, 4% (or \$1.3m) up on last year. The increase in revenue includes \$4.0m insurance recoveries relating to a fire in October 2009. The performance of the division was impacted by the continued effects of the global economic crisis, soft trading with Original Equipment manufacturers and the negative effects on efficiency and productivity, both in inventory management and production, caused by the fire event in October 2009.

An impairment loss of \$8 million was recognised to reduce the carrying amount of loan receivables to a recoverable amount of \$8.5 million at 30 June 2010. Refer to note 14.

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**Notes to the Financial Statements
For the Financial Year Ended 30 June 2010**

	2010 \$'000	2009 \$'000
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5. Notes to the Cash Flow Statement

(a) Reconciliation of Cash

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

Cash and cash equivalents	9,052	1,342
	9,052	1,342
Bank overdraft	-	-
	9,052	1,342

(b) Non-Cash Financing and Investing Activities

During the financial year, the consolidated entity acquired plant and equipment with an aggregate fair value of \$nil thousand (2009: \$393 thousand) by means of finance leases. These acquisitions are not reflected in the cash flow statement.

(c) Financing Facilities

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

Amount used	-	1,000
Amount unused	9,000	8,000
	9,000	9,000

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

Profit/(loss) for the period	(449)	(1,479)
(Gain)/loss on sale of non-current assets	(55)	860
Depreciation and amortisation of non-current assets	867	2,150
Interest income received and receivable	(1,362)	(3,812)
Finance lease interest	65	95
Payment from sale of business	(616)	569
Impairment of non-current assets	8,126	9,276
Increase/(decrease) in current tax liability	1,757	1,100
Increase/(decrease) in deferred tax	324	(1,854)
Changes in net assets and liabilities, net of effects from acquisition of businesses:		
(Increase)/decrease in assets:		
Current receivables	(2,205)	4,049
Current inventories	197	1,403
Increase/(decrease) in liabilities:		
Current payables	3,249	(4,152)
Current borrowings	-	32
Current provisions	607	399
Non-current provisions	(494)	(136)
Net cash from operating activities	10,011	8,500

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**Notes to the Financial Statements
For the Financial Year Ended 30 June 2010**

6. Details Relating to Dividends (Distributions)

		Amount per security ¢	Franked Amount per security ¢	Amount per security of foreign sourced dividend ¢
Final dividend – Ordinary	2010	-	-	N/A
Final dividend – Class A	2010	-	-	N/A
Interim dividend – Ordinary	2010	-	-	N/A
Interim dividend – Class A	2010	-	-	N/A
Interim dividend – Ordinary	2009	-	-	N/A
Final dividend – Ordinary	2009	-	-	N/A
Interim dividend – Class A	2009	-	-	N/A
Final dividend – Class A	2009	-	-	N/A

Total dividend (distribution) per security (interim plus final)

	2010 ¢	2009 ¢
Ordinary securities (each class separately)	-	-
Class A (each class separately)	-	-

Interim and final dividend (distribution) on all securities

	2010 \$'000	2009 \$'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 or final dividend in respect of Ordinary shares and Class A shares for the year ended 30 June 2010.

**Notes to the Financial Statements
For the Financial Year Ended 30 June 2010**

6. Details Relating to Dividends (Distributions) (continued)

Dividend Reinvestment Plans

The dividend or distribution plans shown below are in operation.

Not applicable

The last date(s) for receipt of election notices for the dividend or distribution plans

Not applicable

7. Earnings Per Share – continuing operations

	2010 ¢ per share	2009 ¢ per share
Basic EPS	(4.27)	(2.86)
Diluted EPS	(4.27)	(2.86)

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:

	2010 \$'000	2009 \$'000
Earnings (a)	(1,440)	(965)

	2010 No. '000	2009 No. '000
Weighted average number of ordinary shares (b)	33,753	33,753

(a) Earnings used in the calculation of basic earnings per share reconciles to net profit/(loss) in the statement of comprehensive income as follows:

	2010 \$'000	2009 \$'000
Net profit/(loss)	(1,440)	(965)
Class A share dividends provided for or paid	-	-
Earnings used in the calculation of basic EPS	(1,440)	(965)

(b) 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).

**Notes to the Financial Statements
For the Financial Year Ended 30 June 2010**

7. Earnings Per Share – continuing operations (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:

	2010 \$'000	2009 \$'000
Earnings (a)	(1,440)	(965)
	2010 No. '000	2009 No. '000
Weighted average number of ordinary shares and potential ordinary shares (b), (c)	33,753	33,753

- (a) Earnings used in the calculation of diluted earnings per share reconciles to net profit/(loss) in the statement of comprehensive income as follows:

	2010 \$'000	2009 \$'000
Net profit/(loss)	(1,440)	(965)
Class A share dividends provided for or paid	-	-
Earnings used in the calculation of diluted EPS	(1,440)	(965)

- (b) 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:

	2010 No. '000	2009 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:		
Director options	-	-
Weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted EPS	33,753	33,753

- (c) 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 due to the earnings of the Group being a loss.

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**Notes to the Financial Statements
For the Financial Year Ended 30 June 2010**

8. 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.

Consideration	2010 \$'000
Cash and cash equivalents	647
	647

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	-
	647

Net Cash Outflow on Acquisition

Cash and cash equivalents consideration	647
Less cash and cash equivalents balances acquired	39
	608

Control gained over entities

Year	Name of entity (or group of entities)	Date control gained	% Acquired
2010	TJM Shenzhen Ltd	01/10/09	100%
2009	Not Applicable	Not Applicable	Not Applicable

**Notes to the Financial Statements
For the Financial Year Ended 30 June 2010**

8. Business Combination (continued)

The consolidated statement of comprehensive income includes sales revenue and pre-tax net profit/(loss) for the year ended 30 June 2010 of \$1,887,000 and (\$154,000) 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.

9. Details of Associates and Joint Venture Entities

Name of Entity	Ownership Interest		Contribution to net profit	
	2010	2009	2010 \$'000	2009 \$000
Associates	%	%		
Capitalcorp Finance & Leasing Pty Ltd	-	49	-	-
Joint Venture Entities	-	-	-	
Aggregate Share of Profits/ (Losses)	\$'000	\$'000		
	-	(421)	-	-

The carrying value of the investment in Capitalcorp Finance & Leasing Pty Ltd (Capitalcorp) was recognised as \$nil at 30 June 2009.

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**Notes to the Financial Statements
For the Financial Year Ended 30 June 2010**

10. Contingent Liabilities and Contingent Assets

	2010 \$'000	2009 \$'000
Contingent liabilities		
Guarantees issued to bank in respect of overseas purchases and lease of premises	1,186	214

Contingent assets (a & b)

(a) 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 Limited would require the surrender of the vendor loan. The directors have assessed the fair value of this option as \$nil at 30 June 2010.

(b) 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.

A claim for Material Damage, Additional Increased Cost of Working and Loss of Gross Profit incurred between October 2009 and June 2010 has been submitted to CMI's insurers. The claims have not been recognised as a receivable as at 30 June 2010. During the 2010 financial year, the insurers made a preliminary payment on account of an amount of \$4.0 million (net of deductibles). The insurers continue to review the lodgement to consider a further payment on account.

The claim cannot be reliably measured at the reporting date and disclosure of further information about this matter would be prejudicial to the interests of the group.

Commitments

TJM Shenzhen Capital Commitment

At 30 June 2010 CMI Limited have a commitment to contribute A\$51,226 (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.

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Notes to the Financial Statements
For the Financial Year Ended 30 June 2010

11. Operating Segment

BUSINESS	CONTINUING OPERATIONS							
	TJM Products – Domestic		TJM Product – Overseas		Electrical Components		Consolidated	
	30/06/10 \$'000	30/06/09 \$'000	30/06/10 \$'000	30/06/09 \$'000	30/06/10 \$'000	30/06/09 \$'000	30/06/10 \$'000	30/06/09 \$'000
REVENUE								
External sales	31,716	34,968	489	-	45,583	49,108	77,788	84,706
Intersegment sales (i)	-	-	1,398	-	19	-	1,417	-
Other revenue	4,017	-	-	-	-	-	4,017	-
Total Segment Revenue	35,733	34,968	1,887	-	45,602	49,108	83,222	84,706
Interest income							1,337	3,810
Inter-segment eliminations							(1,417)	(891)
Total revenue per the statement of comprehensive income							83,142	86,995
RESULT								
Segment result	(1,260)	(14,313)	(154)	-	10,941	11,885	9,528	(2,428)
Reconciliation of segment net profit before tax to net profit/(loss) after tax per the statement of comprehensive income								
Interest income							1,337	3,810
Employee benefits							(952)	(1,093)
ASX and share register expense							(111)	(117)
Borrowing costs							(233)	(407)
Impairment receivable							(8,000)	-
Other expenses from ordinary activities							(597)	(709)
Income tax expense							(2,412)	(21)
Discontinued operations after tax							991	(514)
Profit after tax per the statement of comprehensive income							449	(1,479)

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.

CMI LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010 (CONTINUED)

11. Operating Segments (continued)

BUSINESS	TJM Products – Domestic		TJM Product – Overseas		Electrical Components		Consolidated	
	30/06/10	30/06/09	30/06/10	30/06/09	30/06/10	30/06/09	30/06/10	30/06/09
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
SEGMENT ASSETS								
Segment assets	18,453	16,071	1,550	-	29,998	30,411	50,001	46,482
Reconciliation of segment assets to the statement of financial position								
Cash and cash equivalents							6,934	1,177
Other financial assets							8,500	16,500
Future income tax benefits							472	652
Property, Plant & Equipment							7	7
Other assets							367	150
Intersegment Eliminations							175	352
Total assets from continuing operations per the statement of financial position							66,456	65,320

CMI LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010 (CONTINUED)

11. Operating Segments (continued)

BUSINESS	TJM Products – Domestic		TJM Product – Overseas		Electrical Components		Consolidated	
	30/06/10	30/06/09	30/06/10	30/06/09	30/06/10	30/06/09	30/06/10	30/06/09
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
SEGMENT LIABILITIES								
Segment liabilities	5,315	4,659	454	-	4,943	4,286	10,712	8,945
Reconciliation of segment assets to the statement of financial position								
Bank Loan							-	1,000
Tax Payables							2,501	744
Other Liabilities							362	1,381
Total liabilities from continuing operations per the statement of financial position							<u>13,575</u>	<u>12,070</u>

BUSINESS	TJM Products – Domestic		TJM Product – Overseas		Electrical Components		Reconciliation to statement of cashflows		Consolidated	
	30/06/10	30/06/09	30/06/10	30/06/09	30/06/10	30/06/09	30/06/10	30/06/09	30/06/10	30/06/09
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CASHFLOW INFORMATION										
Net cash flow from operating activities	474	(2,512)	(333)	-	12,293	11,453	(2,423)	(441)	10,011	8,500
Net cash flow from investing activities	(2,218)	(2,164)	(417)	-	(205)	(199)	1,289	653	(846)	(1,710)
Net cash flow from financing activities	(429)	(61)	705	-	(107)	(103)	(1,001)	(7,951)	(1,537)	(8,115)

CMI LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010 (CONTINUED)

11. Segment Reporting (continued)

Products and Services within each Business Segment

For management purposes, the consolidated entity is organised into three major operating divisions – electrical components, 4WD components domestic and 4WD components overseas. These divisions are the basis on which the consolidated entity reports its primary segment information. The above business segments derive revenue from the following products and services:

Continuing operations:

- TJM – the design, distribution and marketing of components and parts for 4WD, light commercial and heavy transport vehicles.
- Electrical Components – the manufacture of specialist cabling and electrical products for a range of industry sectors.

Discontinuing operations:

- Engineered Components – the manufacture of precision engineered components, particularly for the automotive industry.
- Financial Services – the provision of chattel finance to both consumer and commercial borrowers.

**Notes to the Financial Statements
For the Financial Year Ended 30 June 2010**

12. Discontinuing Operations

FY 30/06/2010 – Nil

FY 30/06/2009 - Capitalcorp Finance & Leasing and subsidiaries

(a) Details of operations disposed and held for sale

30/06/2010 - During the year CMI Limited sold the remaining 49% of the shares in Capitalcorp Finance & Leasing Pty Ltd. 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 and the share sale was settled on 20 August 2009.

30/06/2009 - During the 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 thousand have been 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 and the share sale was settled on 20 August 2009.

(b) Financial performance of operations disposed and held for sale

The results of the discontinued operations for the year until disposal are presented below:

	Consolidated					
	2010			2009		
	Engineering	Capital Corp	Total	Engineering	Capital Corp	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	13	410	423	104	7,488	7,592
Expenses	(9)	-	(9)	(308)	(9,854)	(10,162)
Gross profit/(loss)	4	410	414	(204)	(2,366)	(2,570)
Recoverable expenses	206	-	206	-	-	-
Gain on disposal	-	-	-	-	212	212
Finance costs	-	-	-	-	-	-
Impairment	-	-	-	-	(890)	(890)
Profit/(Loss) before tax from discontinued operations	210	410	620	(204)	(3,044)	(3,248)
Income Tax	371	-	371	2,270	464	2,734
Profit/(Loss) from discontinued operations	581	410	991	2,066	(2,580)	(514)

**Notes to the Financial Statements
For the Financial Year Ended 30 June 2010**

12. Discontinuing Operations (continued)

(c) Assets and liabilities - held for sale operations

The major classes of assets and liabilities held for sale of Capitalcorp are as follows:

	2010	2009
	\$'000	\$'000
<i>Assets</i>		
Cash and cash equivalents	-	-
Trade and other receivables	-	-
Deferred tax assets	-	-
<i>Assets classified as held for sale</i>	-	-
<i>Liabilities</i>		
Trade and other payables	-	-
Provisions	-	-
<i>Liabilities directly associated with assets classified as held for sale</i>	-	-
<i>Net assets attributable to discontinued operations</i>	-	-

(d) Cash flow information – discontinued operations

The net cash flows of engineering (excluding TJM) and Capitalcorp are as follows:

	2010	2009
	\$'000	\$'000
Operating activities	-	(474)
Investing activities	-	5,449
Financing activities	-	(5,000)
Net cash flow	-	(25)

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**Notes to the Financial Statements
For the Financial Year Ended 30 June 2010**

12. Discontinuing Operations (continued)

(e) Assets and liabilities and cash flow information of disposed operations

The major classes of assets and liabilities of the disposed operations for Capitalcorp Finance & Leasing Pty Ltd are as follows:

	2010	2009
	\$'000	\$'000
<i>Assets</i>		
Cash and cash equivalents	-	86
Inventory	-	-
Trade and other receivables	-	932
Current tax assets	-	-
Other	-	-
<i>Assets sold</i>	-	1,018
<i>Liabilities</i>		
Trade and other payables	-	1,230
Current tax payable	-	-
Provisions	-	-
<i>Liabilities sold</i>	-	1,230
<i>Net assets sold</i>	-	(212)

The net cashflows of the disposed operations for Capitalcorp Finance & Leasing Pty Ltd are as follows:

	2010	2009
	\$'000	\$'000
Operating activities	-	(474)
Investing activities	-	5,449
Financing activities	-	(5,000)
Net cash flow	-	(25)

Consideration received or receivable:

	2010	2009
	\$'000	\$'000
Cash	300	-
Vendor loan provided (a)	-	-
Net disposal consideration	300	-
Less net assets disposed of	-	(212)
Profit on disposal before income tax	300	-
Income tax expense	-	-
Profit/(Loss) on disposal after income tax	300	212

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**Notes to the Financial Statements
For the Financial Year Ended 30 June 2010**

12. Discontinuing Operations (continued)

Net cash inflow on disposal:

	2010	2009
	\$'000	\$'000
Cash	300	-
Cash and cash equivalents disposed of	-	82
Reflected in the statement of cash flows	300	82

13. Reconciliation of Income Tax Expense

2010		Continuing	Discontinued Operations	
	Consolidated		Capitalcorp	Engineering
	\$'000	\$'000	\$'000	\$'000
Profit/(Loss) Before Tax	1,592	972	410	210
At 30%	478	292	123	63
Prior year under/overs	(452)	(452)	-	-
Prior year amendments	(371)	-	-	(371)
Foreign tax rate adjustment	(22)	(22)	-	-
Non assessable gain on sale	(90)	-	(90)	-
Impairment	2,400	2,400	-	-
Other	98	194	(33)	(63)
Tax Expense/(Benefit)	2,041	2,412	-	(371)
2009		Continuing	Discontinued Operations	
	Consolidated		Capitalcorp	Engineering
	\$'000	\$'000	\$'000	\$'000
Profit/(Loss) Before Tax	(4,192)	(944)	(3,044)	(204)
At 30%	(1,257)	(283)	(913)	(61)
Prior year under/overs	(1,267)	-	-	(1,267)
Prior year amendments	(818)	-	-	(818)
Non deductible loss on sale	280	-	280	-
Impairment goodwill	440	440	-	-
Other	(91)	(136)	169	(124)
Tax Expense/(Benefit)	(2,713)	21	(464)	(2,270)

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**Notes to the Financial Statements
For the Financial Year Ended 30 June 2010**

14. Other Financial Assets

	2010 \$'000	2009 \$'000
Other Receivables		
Loan receivable	8,500	16,500

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 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 \$17 million loan had been recorded by CMI at its fair value of \$14 million at 30 June 2008 and classed as a current financial asset as it was expected to be repaid in the following 12 month period. 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 was to be recorded as interest income.

As at 30 June 2009 two discount repayment periods had expired and the directors expected the third, fourth and fifth discount periods to expire in October 2009, April and October 2010. The loan was carried at \$16.5 million at 30 June 2009.

On a regular basis the Board of CMI has assessed the recoverable value of the loan by assessing if there is any objective evidence of impairment as a result of one or more events that have occurred. On 24 June 2010 the Board determined that objective evidence of impairment in the loan balance existed (based on information provided by the borrower and other external sources) and again re-assessed the estimated future cash flows from this asset. As a result of this the loan's carrying value exceeded its recoverable value by \$8 million and an impairment expense and provision for this amount was recorded.

In forming the accounts at 30 June 2010 and subsequent to this date the Board's assessment of the loan's recoverable value has not changed with respect to this loan.

15. Other Significant Information

Not Applicable

16. 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. | <input type="checkbox"/> The accounts have been subject to review. |
| <input checked="" 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

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