

**Results For Announcement To The Market  
For the Financial Year Ended 30 June 2012**

**Preliminary Final Report of CMI Limited for  
the Financial Year Ended 30 June 2012**

(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 2012

Previous Corresponding Period: Financial Year Ended 30 June 2011

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## CMI Limited

### Results For Announcement To The Market For the Financial Year Ended 30 June 2012

#### Revenue and Net Profit/(Loss)

		Percentage Change %	Amount \$'000
Revenue from continuing operations	Up	12%	to 114,897
Net profit attributable to members from continuing operations	Down	38%	to 11,571
Net profit after tax attributable to members from continuing operations	Down	60%	to 5,325

#### Dividends (Distributions)

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

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

The directors of CMI Limited announce today revenue of \$114,897 thousand, an increase of 12% on prior year, and a profit after tax of \$5,325 thousand.

A summary of all segment results can be found in Note 10 Segment reporting.

The Directors have resolved not to pay a final dividend to Ordinary shareholders.

#### Net Tangible Assets Per Ordinary Security

	2012	2011
Net tangible assets per ordinary security	\$1.06	\$1.69

**CMI Limited**

**Consolidated Statement of Comprehensive Income  
For the Financial Year Ended 30 June 2012**

<b>Continuing Operations</b>	<b>Note</b>	<b>2012 \$'000</b>	<b>2011 \$'000</b>
Revenue	2(a)	114,897	102,266
Other income		580	2,733
Changes in inventories		2,660	4,291
Raw materials expense		(66,029)	(61,707)
Sub-contractors expense		(795)	(1,182)
Employee benefits expense		(13,726)	(12,839)
Repairs, maintenance and consumables expense		(904)	(841)
ASX and share register expense		(125)	(87)
Occupancy expense		(4,202)	(3,249)
Travel and communication expense		(1,924)	(2,208)
Freight and cartage expense		(4,599)	(4,503)
Depreciation and amortisation expense		(1,433)	(1,099)
Borrowing costs		(183)	(175)
Impairment expense		(9,270)	-
Other expenses from ordinary activities		(3,376)	(2,593)
<b><i>Profit/(Loss) from continuing operations before income tax expense</i></b>	<b>2</b>	<b>11,571</b>	<b>18,807</b>
Income tax	11	(6,246)	(5,487)
<b><i>Profit/(Loss) from continuing operations after income tax expense</i></b>		<b>5,325</b>	<b>13,320</b>
<b><i>Profit/(Loss) from discontinued operations net of income tax</i></b>		<b>-</b>	<b>-</b>
<b><i>Profit/(Loss) for the year</i></b>		<b>5,325</b>	<b>13,320</b>
<b>Other comprehensive income</b>			
Foreign currency translation		76	(166)
<b>Other comprehensive income for the year, net of tax</b>		<b>76</b>	<b>(166)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>5,401</b>	<b>13,154</b>
<b>Profit/(Loss) for the year is attributable to the owners of the parent</b>		<b>5,325</b>	<b>13,320</b>
<b>Total comprehensive income for the year is attributable to the owners of the parent</b>		<b>5,401</b>	<b>13,154</b>
<i>Earnings Per Share from continuing operations:</i>			
Basic (cents per share)	7	15.78	39.46
Diluted (cents per share)	7	15.71	39.46
<i>Earnings Per Share from continuing and discontinuing operations:</i>			
Basic (cents per share)		15.78	39.46
Diluted (cents per share)		15.71	39.46

Notes to the financial statements are included on pages 7 to 22

# CMI Limited

## Consolidated Statement of Financial Position As At 30 June 2012

	Note	2012 \$'000	2011 \$'000
<b>Current Assets</b>			
Cash and cash equivalents	5	5,622	16,099
Trade and other receivables		20,847	18,276
Inventories		27,635	24,976
<b>Total Current Assets</b>		54,104	59,351
<b>Non-Current Assets</b>			
Property, plant and equipment		5,282	4,809
Other financial assets	13	-	8,500
Goodwill		6,850	6,850
Other intangible assets		2,756	2,292
Deferred tax assets		543	455
<b>Total Non-Current Assets</b>		15,431	22,906
<b>Total Assets</b>		69,535	82,257
<b>Current Liabilities</b>			
Trade and other payables		11,363	9,939
Borrowings		7,664	271
Current tax payables		3,609	4,455
Provisions		1,362	1,316
<b>Total Current Liabilities</b>		23,998	15,981
<b>Non-Current Liabilities</b>			
Borrowings		173	113
Provisions		124	128
<b>Total Non-Current Liabilities</b>		297	241
<b>Total Liabilities</b>		24,295	16,222
<b>Net Assets</b>		45,240	66,035
<b>Equity</b>			
Issued capital	12	37,227	70,103
Reserves		6,832	76
Accumulated profits / (losses)		1,181	(4,144)
<b>Total Equity</b>		45,240	66,035

Notes to the financial statements are included on pages 7 to 22

**CMI Limited**

**Consolidated Statement of Changes in Equity  
For the Year Ended 30 June 2012**

	Issued Capital	Reserves	Retained Earnings/ Accumulated Losses	Total Equity
	\$'000	\$'000	\$'000	\$'000
<b>At 1 July 2010</b>	70,103	242	(17,464)	52,881
Profit/(Loss) for the period	-	-	13,320	13,320
Net foreign exchange differences	-	(166)	-	(166)
<b>Total comprehensive income for the year</b>	-	-	13,320	13,154
<b>Transactions with owners in their capacity as owners</b>	-	(166)	-	(166)
<b>At 1 July 2011</b>	70,103	76	(4,144)	66,035
Profit/(Loss) for the period	-	-	5,325	5,325
Net foreign exchange differences	-	76	-	76
<b>Total comprehensive income for the year</b>	-	76	5,325	5,401
<b>Transactions with owners in their capacity as owners</b>	-	-	-	-
Class A share cancellation	(26,844)	-	-	(26,844)
Class A share balance moved to reserve	(6,032)	6,032	-	-
Equity adjustment on loan repayments	-	648	-	648
<b>At 30 June 2012</b>	<b>37,227</b>	<b>6,832</b>	<b>1,181</b>	<b>45,240</b>

Notes to the financial statements are included on pages 7 to 22

# CMI Limited

## Consolidated Cash Flow Statement For the Financial Year Ended 30 June 2012

	Note	2012 \$'000	2011 \$'000
<b>Cash Flows From Operating Activities</b>			
Receipts from customers		114,895	106,439
Payments to suppliers and employees		(97,998)	(97,668)
Interest and other costs of finance paid		(157)	(119)
Income tax paid		(7,179)	(3,438)
Insurance recovery relating to fire		-	2,525
Net cash provided by/(used in) operating activities	5(d)	9,561	7,739
<b>Cash Flows From Investing Activities</b>			
Interest received		1,069	1,714
Payment for property, plant and equipment		(1,258)	(1,387)
Proceeds from sale of property, plant and equipment		56	130
Payment for other intangible assets		(1,140)	(901)
Net cash provided by/(used in) investing activities		(1,273)	(444)
<b>Cash Flows From Financing Activities</b>			
Payment of finance liabilities		(311)	(242)
Proceeds from share loan repayment		648	
Proceeds from borrowings		7,740	-
Payment for share buyback		(26,844)	-
Net cash provided by/(used in) financing activities		(18,767)	(242)
<b>Net Increase/(Decrease) In Cash and Cash Equivalents</b>		(10,479)	7,053
<b>Cash and Cash Equivalents At The Beginning Of The Financial Year</b>		16,099	9,052
Effects of exchange rate changes on the balance of cash held in foreign currencies		2	(6)
<b>Cash and Cash Equivalents At The End Of The Financial Year</b>	5(a)	5,622	16,099

Notes to the financial statements are included on pages 7 to 22

**Notes to the Financial Statements  
For the Financial Year Ended 30 June 2012**

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**Notes to the Financial Statements  
For the Financial Year Ended 30 June 2012**

**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 2011, the interim financial report for the half-year ended 31 December 2011 and considered together with any public announcements made by CMI Limited during the year ended 30 June 2012 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.

Prior period comparatives have been adjusted where required to meet current year presentation format.

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**Notes to the Financial Statements  
For the Financial Year Ended 30 June 2012**

	2012 \$'000	2011 \$'000
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**2. Profit From Continuing Operations**

Profit from continuing operations before income tax includes the following items of revenue and expense:

**(a) Revenue and Other Income – continuing operations**

**Continuing operations**

Sales of goods	113,158	100,313
Interest – other persons	1,739	1,953
	114,897	102,266
Insurance recovery relating to fire	-	1,983
Other Items	580	750
	580	2,733

**(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	1	27
Net foreign exchange gains/(losses)	72	(98)
	73	(71)

Profit before income tax from continuing operations has been arrived at after charging the following expenses:

Cost of sales	68,039	63,229
Net bad and doubtful debts	45	56
Depreciation and amortisation of:		
Property, plant and equipment	700	624
Leased assets	52	37
Brand names	-	-
Other intangibles	681	438
	1,433	1,099
Impairment Expense:		
Loan receivable	8,500	-
Interest Receivable	770	-
	9,270	-

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**Notes to the Financial Statements  
For the Financial Year Ended 30 June 2012**

**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 \$21.5m, an increase of \$5.5m on the 2011 year. Revenue increased to \$73.8m, 19% (or \$12.0m) up on last year.

The Electrical Division business unit produced strong results particularly in the first half of the year with mining remaining a strong market throughout the whole year. The Electrical Division continues to work on the introduction of new products along with improvements to its existing proprietary product range.

The TJM Products Division produced a pre-tax profit of \$1.0m, a decrease of \$1.8m on the 2011 year. The pre-tax profit for the prior year included \$2.0m relating to insurance recoveries less expenses as a result of the fire at the Geebung premises. Revenue (excluding intercompany sales) increased to \$39.5m, 3% (or \$1.0m) up on last year.

A new General Manager was appointed to the TJM Products business unit in late February and has begun implementing efficiency and productivity improvement plans together with revising strategies for sales volume increases across the business unit. In particular, the new management of TJM is focused on improvements in the areas of time to market of product designs, supply chain and distribution relationships.

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**Notes to the Financial Statements  
For the Financial Year Ended 30 June 2012**

	2012 \$'000	2011 \$'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		
Cheque Accounts	5,622	6,954
Term Deposit	-	9,145
	5,622	16,099
Bank overdraft	-	-
	5,622	16,099

*(b) Non-Cash Financing and Investing Activities*

During the financial year, the consolidated entity acquired plant and equipment with an aggregate fair value of \$240 thousand (2011: \$nil thousand) by means of finance leases. These acquisitions are not reflected in the cash flow statement.

*(c) Financing Facilities*

An overdraft and bill acceptance/discount facility with the National Australia Bank, reviewed annually, is secured by a fixed and floating charge over the assets and undertaking of the consolidated entity:

Amount used	7,500	-
Amount unused	3,500	9,000
	11,000	9,000

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

Profit/(loss) for the period	5,325	13,320
(Gain)/loss on sale of non-current assets	-	(27)
Depreciation and amortisation of non-current assets	1,433	1,099
Interest income received and receivable	(1,739)	(1,715)
Finance lease interest	24	39
Unrealised Foreign Exchange (Gain)/Loss	1	(13)
Impairment of non-current assets	9,270	-
Increase/(decrease) in current tax liability	(846)	1,954
Increase/(decrease) in deferred tax	(88)	40
Changes in net assets and liabilities, net of effects from acquisition of businesses:		
(Increase)/decrease in assets:		
Current receivables	(2,856)	(3,120)
Current inventories	(2,541)	(4,439)
Increase/(decrease) in liabilities:		
Current payables	1,467	485
Current provisions	91	72
Non-current provisions	20	44
Net cash from operating activities	9,561	7,739

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**Notes to the Financial Statements  
For the Financial Year Ended 30 June 2012**

6. Details Relating to Dividends (Distributions)

		Amount per security ¢	Franked Amount per security ¢	Amount per security of foreign sourced dividend ¢
Final dividend – Ordinary	2012	-	-	N/A
Interim dividend – Ordinary	2012	-	-	N/A
Interim dividend – Class A	2012	-	-	N/A
Interim dividend – Ordinary	2011	-	-	N/A
Final dividend – Ordinary	2011	-	-	N/A
Interim dividend – Class A	2011	-	-	N/A
Final dividend – Class A	2011	-	-	N/A

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

	2012 ¢	2011 ¢
Ordinary securities (each class separately)	-	-
Class A (each class separately)	-	-

**Interim and final dividend (distribution) on all securities**

	2012 \$'000	2011 \$'000
Ordinary securities (each class separately)	-	-
Class A (each class separately)	-	-
<b>Total</b>	-	-

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 for the year ended 30 June 2012.

**Notes to the Financial Statements  
For the Financial Year Ended 30 June 2012**

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

**Dividend Reinvestment Plans**

The dividend or distribution plans shown below are in operation.

Not applicable
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The last date(s) for receipt of election notices for the dividend or distribution plans

Not applicable
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7. Earnings Per Share – continuing operations

	2012 ¢ per share	2011 ¢ per share
Basic EPS	15.78	39.46
Diluted EPS	15.71	39.46

*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:

	2012 \$'000	2011 \$'000
Earnings (a)	5,325	13,320

  

	2012 No. '000	2011 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:

	2012 \$'000	2011 \$'000
Net profit/(loss)	5,325	13,320
Class A share dividends provided for or paid	-	-
Earnings used in the calculation of basic EPS	5,325	13,320

(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).

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**Notes to the Financial Statements  
For the Financial Year Ended 30 June 2012**

**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:

	<b>2012 \$'000</b>	<b>2011 \$'000</b>
Earnings (a)	5,325	13,320
	<b>2012 No. '000</b>	<b>2011 No. '000</b>
Weighted average number of ordinary shares and potential ordinary shares (b), (c)	33,987	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:

	<b>2012 \$'000</b>	<b>2011 \$'000</b>
Net profit/(loss)	5,325	13,320
Class A share dividends provided for or paid	-	-
Earnings used in the calculation of diluted EPS	5,325	13,320

(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:

	<b>2012 No. '000</b>	<b>2011 No. '000</b>
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	144	-
Weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted EPS	33,897	33,753

(c) Share options are included on the basis that they are dilutive.

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**Notes to the Financial Statements  
For the Financial Year Ended 30 June 2012**

**8. Business Combination**

**Control gained over entities**

<b>Year</b>	<b>Name of entity (or group of entities)</b>	<b>Date control gained</b>	<b>% Acquired</b>
2012	Nil	Nil	Nil
2011	TJM Off-Road Products Inc.	08/04/2011	100%

During the year ended 30 June 2011 the group incorporated TJM Off-road Products Inc. with an investment of USD \$100 thousand.

**9. Contingent Liabilities and Contingent Assets**

	<b>2012</b>	<b>2011</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Contingent liabilities</b>		
Guarantees issued to bank in respect of overseas purchases and lease of premises	1,586	1,837

**Australian Taxation Office Audit**

The Australian Taxation Office has confirmed the audit of CMI Limited relating to the years 2004-2009 has been finalised with no adjustments made to taxation returns previously lodged. This finalises the audit.

**Litigation**

Trojan Equity Limited ("Trojan") had initiated legal proceedings in the Supreme Court of Queensland against CMI Limited, the personal representatives of CMI's former executive directors Raymond Catelan (deceased) and Richard Catelan, CMI's current directors Colin Ryan, Leanne Catelan and Danny Herceg and various shareholders of CMI Limited. Trojan had applied to the Court for a range of relief including an order that CMI be wound up, damages and an account of profits.

During the period, Trojan Equity Limited has released and discharged CMI from all and any claims, actions, suits or demands and the proceedings have been dismissed.

**Guarantees over CMI Industrial Premises Leases**

CMI Limited has provided guarantees in respect of certain land and buildings leased by CMI Industrial Pty Ltd which were granted prior to the sale of the engineering division to CMI Industrial Pty Ltd by CMI Limited. The lessors under those leases may look to CMI for any unpaid amounts due by Industrial under those leases. A payment of \$213 thousand was made relating to these guarantees during the year and resulted in a Deed of Release being finalised for one property. At this stage, no additional claims which would result in net cash outflows by CMI Limited have been received.

**Notes to the Financial Statements  
For the Financial Year Ended 30 June 2012**

**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 was originally in existence for three years, expiring in April 2011 or less should the vendor loan be repaid. This option was extended along with the repayment date of the receivable by 6 months. 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 2012.

**(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 2011 has been finalised with CMI's insurers. There is no receivable as at 30 June 2012. During the 2011 financial year, the insurers made final payments on account totalling \$2.5 million.

**Commitments**

**TJM Off-Road Products Inc. (USA) Capital Commitment**

At 30 June 2011 CMI Limited had a commitment to contribute A\$82,876 (US\$89,000) in capital. The commitment relates to contributions to the registered capital of the company in accordance with TJM Off-Road Products Inc. articles of association which stated on incorporation CMI Limited had a commitment to contribute US\$100,000. This amount was contributed during the current year.



**Notes to the Financial Statements**  
**For the Financial Year Ended 30 June 2012**

## 10. Operating Segments

BUSINESS	CONTINUING OPERATIONS									
	TJM Products – Australia & USA		TJM Products – China		TJM Products – Total		Electrical Components		Consolidated	
	30/06/12 \$'000	30/06/11 \$'000	30/06/12 \$'000	30/06/11 \$'000	30/06/12 \$'000	30/06/11 \$'000	30/06/12 \$'000	30/06/11 \$'000	30/06/12 \$'000	30/06/11 \$'000
<b>REVENUE</b>										
External sales – Domestic	27,174	29,157	-	-	27,174	29,157	73,759	61,830	100,933	90,987
External sales – Export	11,320	8,886	997	491	12,317	9,377	-	-	12,317	9,377
Intersegment sales (i)	-	-	3,042	2,522	3,042	2,522	-	-	3,042	2,522
<b>Total Segment Revenue</b>	<b>38,494</b>	<b>38,043</b>	<b>4,039</b>	<b>3,013</b>	<b>42,533</b>	<b>41,056</b>	<b>73,759</b>	<b>61,830</b>	<b>116,292</b>	<b>102,886</b>
Interest income									1,647	1,902
Inter-segment eliminations									(3,042)	(2,522)
Total revenue per the statement of comprehensive income									<b>114,897</b>	<b>102,266</b>
<b>RESULT</b>										
Segment result	976	2700	44	66	1,020	2,766	21,540	15,975	22,560	18,741
<b>Reconciliation of segment net profit before tax to net profit/(loss) after tax per the statement of comprehensive income</b>										
Interest income									1,647	1,902
Employee benefits									(941)	(977)
ASX and share register expense									(125)	(87)
Borrowing costs									(159)	(136)
Impairment expense									(9,270)	-
Other expenses from ordinary activities									(2,141)	(636)
Income tax expense									(6,246)	(5,487)
<b>Profit after tax per the statement of comprehensive income</b>									<b>5,325</b>	<b>13,320</b>

i) Inter-entity sales are recognised based on an internally set transfer price of goods at cost plus a margin.

ii) Corporate charges and income tax expense are not allocated to each business segment

**CMI LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012 (CONTINUED)**

10. Operating Segments (continued)

BUSINESS	TJM Products – Australia & USA		TJM Products – China		TJM Products – Total		Electrical Components		Consolidated	
	30/06/12 \$'000	30/06/11 \$'000	30/06/12 \$'000	30/06/11 \$'000	30/06/12 \$'000	30/06/11 \$'000	30/06/12 \$'000	30/06/11 \$'000	30/06/12 \$'000	30/06/11 \$'000
<b>SEGMENT ASSETS</b>										
Segment assets	26,948	20,966	1,349	2,151	28,297	23,117	37,823	37,637	66,120	60,754
<b>Reconciliation of segment assets to the statement of financial position</b>										
Cash and cash equivalents									2,881	11,625
Other financial assets									-	8,500
Future income tax benefits									418	325
Property, Plant & Equipment									7	6
Other assets									109	674
Intersegment Eliminations									-	373
<b>Total assets from continuing operations per the statement of financial position</b>									<u>69,535</u>	<u>82,257</u>

**CMI LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012 (CONTINUED)**

10. Operating Segments (continued)

BUSINESS	TJM Products – Australia & USA		TJM Products – China		TJM Products – Total		Electrical Components		Consolidated	
	30/06/12	30/06/11	30/06/12	30/06/11	30/06/12	30/06/11	30/06/12	30/06/11	30/06/12	30/06/11
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>SEGMENT LIABILITIES</b>										
Segment liabilities	6,416	4,505	446	714	6,862	5,219	6,026	6,079	12,888	11,298
<b>Reconciliation of segment assets to the statement of financial position</b>										
Tax Payables									3,507	4,410
Borrowings									7,500	-
Other Liabilities									400	514
<b>Total liabilities from continuing operations per the statement of financial position</b>									<b>24,295</b>	<b>16,222</b>

BUSINESS	TJM Products – Australia & USA		TJM Products – China		TJM Products – Total		Electrical Components		Reconciliation to statement of cashflows		Consolidated	
	30/06/12	30/06/11	30/06/12	30/06/11	30/06/12	30/06/11	30/06/12	30/06/11	30/06/12	30/06/11	30/06/12	30/06/11
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>CASHFLOW INFORMATION</b>												
Net cash flow from operating activities	(2,343)	2,881	(46)	222	(2,389)	3,103	22,092	9,819	(10,142)	(5,183)	<b>9,561</b>	<b>7,739</b>
Net cash flow from investing activities	(1,843)	(1,810)	(59)	(78)	(1,902)	(1,888)	(341)	(217)	970	1,661	<b>(1,273)</b>	<b>(444)</b>
Net cash flow from financing activities	82	(224)	-	42	82	(182)	(100)	(66)	(18,749)	6	<b>(18,767)</b>	<b>(242)</b>

**Notes to the Financial Statements  
For the Financial Year Ended 30 June 2012**

**10. Operating Segments (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 Australia & USA and 4WD components China. 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.

**11. Reconciliation of Income Tax Expense**

	<b>Consolidated 2012</b>	<b>Consolidated 2011</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit/(Loss) Before Tax	11,571	18,807
At 30%	3,471	5,642
Prior year under/overs	(220)	(24)
Foreign exchange adjustment	1	-
Research & Development Incentive	(717)	-
Impairment	2,550	-
Other	1,161	(131)
Tax Expense/(Benefit)	6,246	5,487

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**Notes to the Financial Statements  
For the Financial Year Ended 30 June 2012**

**12. Issued Capital**

**Class A Share Cancellation**

On 12 June 2012, the share capital of the Company was reduced by the cancellation of all 28,005,311 Class A Shares on issue in consideration for the payment of \$0.95 for each Class A Share cancelled.

The remaining Issued Capital of CMI Limited is 33,752,634 Fully Paid Ordinary Shares at 30 June 2012.

**13. Other Financial Assets**

	<b>2012</b>	<b>2011</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Other Receivables</b>		
Loan receivable	17,000	17,000
Provision for Impairment	(17,000)	(8,500)
	-	8,500

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 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.

The loan was due to be repaid on 16 April 2011. Following an approach by CMI Industrial Pty Ltd it was agreed to extend the repayment date by 6 months. The loan was extended on the same terms and conditions.

The loan was not repaid on 16 October 2011. Interest had been paid on the loan in accordance with the security documents up until 16 October 2011 but interest payments due since have not been received.

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.

The final discount repayment period expired on 15 April 2011. The carrying value increased to \$17 million and the provision for impairment increased by \$0.5 million.

On 28 February 2012 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 \$8.5 million and an impairment expense and provision for this amount was recorded at 31 December 2011. A further impairment of \$0.8m had been recognised relating to the interest arrears and earlier adjustments due under the original sale agreements. No tax benefit was been recorded on the principal (capital) impairment of \$8.5 million as sufficient forecasted capital profits are not envisaged to utilise these losses.

At 30 June 2012, principal and interest arrears, including default interest and charges, and earlier adjustments due under the original sale agreements total \$19.1 million.

Administrators and Receivers were appointed to CMI Industrial Pty Ltd on 26 April 2012.

In forming the accounts at 30 June 2012 and subsequent to this date the Board's assessment of the loan's recoverable value has not changed with respect to this loan. The loan is carried at a nil value and classified as a non-current asset as the Board does not expect the loan to be repaid in the following 12 month period.

**Notes to the Financial Statements  
For the Financial Year Ended 30 June 2012**

14. Other Significant Information

Not Applicable

15. 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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