

Appendix 4D for the Half Year Ended 31 December 2012

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

This Half-Year Report is to be read in conjunction with the 2012 Annual Financial Report.

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

		Percentage Change %	Amount \$'000
Revenue	down	0	to 57,501
Net profit/(loss) after tax attributable to members of the parent entity	up	1,229	to 6,639

Dividends (Distributions)

	Amount per security	Franked amount per security
Interim dividend – Ordinary	- ¢	- ¢

Record date for determining entitlements to the dividend:

- interim dividend - Ordinary Not Applicable

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

The Directors of CMI Limited announced today a net profit of \$6.6million after tax for the half year to 31 December 2012. A summary of segment results can be found under Note 9 Segment Reporting and the review of operations in the Directors Report of the Half Yearly Report for 31 December 2012.

The Electrical Division produced a pre-tax profit of \$10.3m, a decrease of \$1.2m on the 2011 half-year. Revenue decreased to \$37.0m, 2% (or \$0.7m) down on the prior comparative period.

Revenue from Electrical building and construction products for the half is higher than for the prior half-year. Overall, the reduced sales of higher margin mining product and the increased sales of lower margin building and construction product has changed the mix of sales margin, which has resulted in lower overall margin and lower Electrical Division earnings.

The lower coal price has impacted on underground coal mine operators, causing deferral of some capital expenditure and pressure on operational costs, which has consequently impacted Electrical Division revenue from the sale of its products into the underground coal mining sector. While the coal price remains at current levels, revenue and cost pressures in that sector appear likely to continue.

The TJM Products Division, comprising the Australian, Chinese and USA operations, produced a pre-tax loss of \$0.6m, a decrease of \$0.9m on the 2011 half-year. Revenue (excluding intercompany sales) increased to \$20.5m, 9% (or \$1.8m) up on prior comparative period.

Revenue from the TJM domestic stores network, excluding Original Equipment domestic sales, is up by 17% on the prior comparative period. However, earnings are being impacted by on-going restructuring costs and by losses in the USA operation. The TJM restructure will continue, with a focus on improvement in supply chain logistics, inventory control, expansion of TJM's assembly, warehousing and distribution facilities in China and further development of export opportunities.

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As outlined in Note 10, the sale of the engineering business to CMI Industrial Pty Ltd, in April 2008, included a loan provided by CMI Limited to CMI Industrial Pty Ltd to purchase the business with a \$17 million face value. The loan is secured by a second ranking fixed and floating charge over CMI Industrial Pty Ltd, ranking behind the National Australia Bank and a personal guarantee from M.J. Hofmeister for \$2.5 million. On 26 February 2013, a bankruptcy trustee was appointed in relation to M. J. Hofmeister. The loan is carried at a nil value at 31 December 2012, and the Board of CMI Limited does not expect this appointment to materially impact this carrying value.

The significant change in the net tangible assets per ordinary security is due to the purchase of the Company's Class A shares out of the Company's cash reserves and borrowings.

The Company's taxation expense for the period has been impacted by the overprovision of taxation expense for the 30 June 2012 year.

The Directors have resolved not to pay an interim dividend to Ordinary shareholders for the half year to 31 December 2012.

Net Tangible Assets Per Ordinary Security

	31/12/12	31/12/11
	\$	\$
Net tangible assets per ordinary security	\$1.24	\$1.66

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

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**Results for Announcement to the Market
For the Half Year Ended 31 December 2012**

**Half Yearly Report of CMI Limited for the Half
Year Ended 31 December 2012**

(ABN 98 050 542 553)

Current Reporting Period: Half Year ending 31 December 2012

Previous Corresponding Period: Half Year ending 31 December 2011

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Consolidated Statement of Comprehensive Income For the Half Year Ended 31 December 2012

	Note	31/12/12 \$'000	31/12/11 \$'000
Continuing operations			
Revenue	2(a)	57,501	57,613
Other income	2(b)	381	284
Changes in inventories		1,948	2,575
Raw materials expense		(33,873)	(32,791)
Sub-contractors expense		(553)	(389)
Employee benefits expense		(8,084)	(6,843)
Repairs, maintenance and consumables expense		(972)	(892)
ASX and share register expense		(46)	(78)
Occupancy expense		(1,988)	(1,910)
Travel and communication expense		(1,302)	(993)
Freight and cartage expense		(2,051)	(2,417)
Depreciation and amortisation expense	2(c)	(815)	(675)
Finance costs		(255)	(72)
Impairment expense	10	-	(9,270)
Other expenses		(1,449)	(1,769)
Profit from continuing operations before income tax expense		8,442	2,373
Income tax	5	(1,803)	(2,961)
Profit/(loss) for the period from continuing operations after income tax expense		6,639	(588)
Profit/(loss) for the period		6,639	(588)
Other comprehensive income/(loss) – Items That May be Reclassified Subsequently to Profit or Loss			
Foreign currency translation		(125)	89
Other comprehensive income/(loss) for the period, net of tax		(125)	89
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		6,514	(499)
Profit/(loss) for the period is attributable to the owners of the parent			
		6,639	(588)
Total comprehensive income/(loss) for the period is attributable to the owners of the parent			
		6,514	(499)
<i>Earnings/(loss) Per Share:</i>			
From continuing operations:			
Basic (cents per share)	7	19.67	(1.74)
Diluted (cents per share)	7	19.43	(1.74)

Notes to the financial statements are included on pages 6 to 18

CMI Limited

Consolidated Statement of Financial Position As at 31 December 2012

	Note	31/12/12 \$'000	30/6/12 \$'000
Current Assets			
Cash and cash equivalents		2,467	5,622
Trade and other receivables		22,487	20,847
Inventories		29,583	27,635
Total Current Assets		54,537	54,104
Non-Current Assets			
Other financial assets	10	-	-
Property, plant and equipment		5,387	5,282
Goodwill		6,850	6,850
Other intangible assets		2,990	2,756
Deferred tax assets		125	543
Total Non-Current Assets		15,352	15,431
Total Assets		69,889	69,535
Current Liabilities			
Trade and other payables		11,734	11,363
Borrowings		4,053	7,664
Current tax payables		620	3,609
Provisions		1,423	1,362
Total Current Liabilities		17,830	23,998
Non-Current Liabilities			
Borrowings		146	173
Provisions		125	124
Total Non-Current Liabilities		271	297
Total Liabilities		18,101	24,295
Net Assets		51,788	45,240
Equity			
Issued Capital		37,227	37,227
Reserves		6,741	6,832
Retained Profits		7,820	1,181
Total Equity		51,788	45,240

Notes to the financial statements are included on pages 6 to 18

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Consolidated Statement of Changes in Equity For the Half Year Ended 31 December 2012

	Issued Capital	Foreign Currency Translation Reserve	Employee Share Benefits Reserve	Class A Shares Reserve	Retained Profits / (Losses)	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2012	37,227	(10)	162	6,680	1,181	45,240
Profit for the period	-	-	-	-	6,639	6,639
Net foreign exchange differences	-	(125)	-	-	-	(125)
Total comprehensive income for the half-year	-	(125)	-	-	6,639	6,514
Transactions with owners in their capacity as owners:						
Class A share cancellation	-	-	-	(3)	-	(3)
Employee equity-settled benefits	-	-	37	-	-	37
Balance at 31 December 2012	37,227	(135)	199	6,677	7,820	51,788
At 1 July 2011	70,103	(86)	162	-	(4,144)	66,035
Profit/(Loss) for the period	-	-	-	-	(588)	(588)
Net foreign exchange differences	-	89	-	-	-	89
Total comprehensive income/(loss) for the half-year	-	89	-	-	(588)	(499)
Transactions with owners in their capacity as owners	-	-	-	-	-	-
Balance at 31 December 2011	70,103	3	162	-	(4,732)	65,536

Notes to the financial statements are included on pages 6 to 18

CMI Limited

**Consolidated Statement of Cash Flows
For the Half Year Ended 31 December 2012**

	<u>Note</u>	<u>31/12/12 \$'000</u>	<u>31/12/11 \$'000</u>
<i>Cash Flows From Operating Activities</i>			
Receipts from customers (inclusive of GST)		63,528	56,082
Payments to suppliers and employees (inclusive of GST)		(57,184)	(49,521)
Interest and other costs of finance paid		(246)	(59)
Income tax (paid)/refunded		(4,374)	(5,221)
Net cash provided by operating activities	4(d)	<u>1,724</u>	<u>1,281</u>
<i>Cash Flows From Investing Activities</i>			
Interest received		36	1,019
Payment for property, plant and equipment		(496)	(608)
Proceeds from sale of property, plant and equipment		5	15
Payment for deferred expenditure		(656)	(505)
Net cash (used in) investing activities		<u>(1,111)</u>	<u>(79)</u>
<i>Cash Flows From Financing Activities</i>			
Proceeds from borrowings		240	-
Payment for share buyback		(3)	-
Repayment of borrowings		(3,887)	(179)
Dividends paid		-	-
Net cash provided by/(used in) financing activities		<u>(3,650)</u>	<u>(179)</u>
<i>Net Increase/(Decrease) In Cash and Cash Equivalents</i>		(3,037)	1,023
<i>Cash and Cash Equivalents At The Beginning Of The Financial Period</i>			
Net foreign exchange differences		5,622	16,099
<i>Cash and Cash Equivalents At The End Of The Financial Period</i>	4(a)	<u>2,467</u>	<u>17,129</u>

Notes to the financial statements are included on pages 6 to 18

**Notes to the Financial Statements
For the Half Year Ended 31 December 2012**

Note	Contents
1	Summary of Accounting Policies
2	Profit from Operations
3	Subsequent Events
4	Notes to the Statement of Cash Flows
5	Income Taxes
6	Details relating to Dividends (Distributions)
7	Earnings Per Share
8	Contingent Liabilities, Contingent Assets and Commitments
9	Operating Segments
10	Other Non-Current Financial Assets
11	Share-based Payments

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**Notes to the Financial Statements
For the Half Year Ended 31 December 2012**

1. Summary of Accounting Policies

Basis of Preparation

The half year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and *AASB 134 Interim Financial Reporting*.

The half year financial report does not include notes of the type normally included in an annual financial report and it is recommended that the half-year report be read in conjunction with the 2012 annual financial report and considered together with any public announcements made by CMI Limited during the half-year ended 31 December 2012 in accordance with the continuous disclosure obligations of the ASX listing rules.

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 accounting policies adopted in the annual financial statements for the year ended 30 June 2012.

New standards and amendments to standards mandatory for the first time for the financial year beginning 1 July 2012 have been adopted. The adoption of these standards had no material financial impact on the current period or any prior period and is not likely to affect future periods.

AASB 101 Presentation of Financial Statements: AASB 101 established a new requirement for entities to group items presented in other comprehensive income on the basis of whether they might be reclassified subsequently to profit or loss and those group items that will not. The adoption of AASB 101 had no effect on the financial position or performance of the Group.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2012 reporting periods and have not yet been applied in the financial report. The Directors consider that these new or amended Standards and Interpretations do not have any material financial effect on the financial statements presented.

**Notes to the Financial Statements
For the Half Year Ended 31 December 2012**

	31/12/12 \$'000	31/12/11 \$'000
2. Profit From Operations – continuing operations		
Profit from continuing operations before income tax includes the following items of revenue and expense:		
(a) Revenue		
Sales of goods	57,465	56,309
Interest – other persons	36	1,304
	57,501	57,613
(b) Other income		
Other income	381	724
	381	724
(c) Expenses		
Depreciation and amortisation of:		
Property, plant and equipment	(386)	(349)
Leased assets	(6)	(22)
Brandnames	-	-
Other intangibles	(423)	(304)
	(815)	(675)

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**Notes to the Financial Statements
For the Half Year Ended 31 December 2012**

3. Subsequent Events

As outlined in Note 10, the sale of the engineering business to CMI Industrial Pty Ltd, in April 2008, included a loan provided by CMI Limited to CMI Industrial Pty Ltd to purchase the business with a \$17 million face value. The loan is secured by a second ranking fixed and floating charge over CMI Industrial Pty Ltd, ranking behind the National Australia Bank and a personal guarantee from M.J. Hofmeister for \$2.5 million. On 26 February 2013, a bankruptcy trustee was appointed in relation to M. J. Hofmeister. The loan is carried at a nil value at 31 December 2012, and the Board of CMI Limited does not expect this appointment to materially impact this carrying value.

Since 31 December 2012, 450,000 performance share rights were granted to company executives under the Company's Performance Rights Plan (PRP). The exercise price of the rights is nil. The rights vest if the performance hurdles are met and the senior executive is still employed on such date. Performance hurdles include, depending on position, increase in total shareholder return, revenue increases, profit maintenance and continuing employment conditions. If the performance hurdles are not met within 3 years, the rights lapse.

Subsequent to 31 December 2012, 500,000 performance share rights issued to the Executive Chairman vested and became exercisable. Accordingly, an amount of \$618,479 will be recognised in the result to 30 June 2013. \$37,021 of this expense has been recorded to 31 December 2012.

On 1 February 2013, The Australian Securities and Investment Commission (ASIC) appointed Morgan Stanley Wealth Management Australia Pty Ltd to sell 3,112,422 ordinary shares in CMI Limited. The sale follows a decision by the Takeovers Panel to vest the shares in the Commonwealth for sale by ASIC. The shares represent approximately 9.2% of CMI's issued capital. The securities were sold off-market on 19 February 2013.

On 27 February 2013, Stephen Lonie ceased being a director of CMI Limited.

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.

31/12/12	31/12/11
\$'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:

Cheque Accounts	2,467	5,629
Term Deposit	-	11,500
	2,467	17,129
Bank Overdraft	-	-
	2,467	17,129

**Notes to the Financial Statements
For the Half Year Ended 31 December 2012**

	31/12/12 \$'000	31/12/11 \$'000
4. Notes to the Statement of Cash Flows (continued)		
<i>(b) Non-Cash Financing and Investing Activities</i>		
<p>During the financial period, the economic entity acquired plant and equipment with an aggregate fair value of \$nil (2011: \$nil) by means of finance leases. These acquisitions are not reflected in the statement of cash flows.</p>		
<i>(c) Financing Facilities</i>		
<p>The Group has a multi-option and bill acceptance/discount facility with the National Australia Bank, which is reviewed annually:</p>		
Amount used	4,000	-
Amount unused	7,000	9,000
	11,000	9,000
<p>The Group has a finance lease facility with the National Australia Bank, which is reviewed annually:</p>		
Amount used	199	216
Amount unused	1,801	3,634
	2,000	3,850
<i>(d) Reconciliation of Profit/(Loss) for the Period to Net Cash Flows From Operating Activities</i>		
Profit/(loss) for the period	6,639	(588)
(Gain)/loss on disposal of non-current assets	(4)	1
Depreciation and amortisation of non-current assets	815	675
Interest income classified as investing cash flow	(36)	(1,304)
Finance lease interest	10	11
Impairment expense	-	9,270
Equity settled share-based payment	37	-
Unrealised Foreign Exchange (Gain)/Loss	-	1
(Increase)/ decrease in deferred tax balances	417	310
Changes in net assets and liabilities, net of effects from acquisition of businesses:		
(Increase)/decrease in assets:		
Current receivables	(1,630)	(2,832)
Current inventories	(1,953)	(2,452)
Current tax liability	(2,989)	(2,569)
Increase/(decrease) in liabilities:		
Current payables	357	726
Current provisions	63	36
Non-current provisions	(2)	(4)
Net cash from operating activities	1,724	1,281

**Notes to the Financial Statements
For the Half Year Ended 31 December 2012**

5. Income Taxes

	31/12/12 \$'000	31/12/11 \$'000
(a) Income tax recognised in profit or loss		
Tax expense comprises:		
The prima facie income tax on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:		
Total profit/(loss) before income tax	8,442	2,373
Income tax calculated at 30%	2,533	712
Add/(Deduct)		
Impairment losses on receivable not deductible	-	2,550
Other items	(149)	(32)
(Over)/Under provision of income tax in previous year-continuing operations	(581)	(269)
Aggregate income tax expense	1,803	2,961

6. Details Relating to Dividends (Distributions)

		Amount per security ¢	Franked Amount per security ¢
Interim dividend – Ordinary	2012	-	-
Final dividend – Ordinary	2011	-	-

Interim dividend (distribution) on all securities

	31/12/12 \$'000	31/12/11 \$'000
Ordinary securities	-	-
Total	-	-

Any other disclosures in relation to dividends (distributions):

The Directors do not propose to pay an interim dividend in respect of ordinary shares for the half year ended 31 December 2012.

**Notes to the Financial Statements
For the Half Year Ended 31 December 2012**

7. Earnings/(Loss) Per Share

	31/12/12 ¢ per share	31/12/11 ¢ per share
Basic EPS		
From continuing operations	19.67	(1.74)
From discontinued operations	-	-
Total basic earnings/(loss) per share	19.67	(1.74)
Diluted EPS		
From continuing operations	19.43	(1.74)
From discontinued operations	-	-
Total basic earnings/(loss) per share	19.43	(1.74)

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:

	31/12/12 \$'000	31/12/11 \$'000
Net profit/(loss)	6,639	(588)
Earnings used in the calculation of basic EPS from continuing and discontinued operations	-	-
Adjustments to exclude (profit)/loss for the period from discontinued operations	6,639	(588)
Earnings used in the calculation of basic EPS from continuing operations	-	-
	6,639	(588)

	31/12/12 No. '000	31/12/11 No. '000
Weighted average number of ordinary shares (a)	33,753	33,753

- (a) Options and performance share rights 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.

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**Notes to the Financial Statements
For the Half Year Ended 31 December 2012**

7. Earnings/(Loss) Per Share (continued)

Diluted Earnings/(Loss) 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:

	31/12/12 \$'000	31/12/11 \$'000
Net profit/(loss)	6,639	(588)
Earnings used in the calculation of diluted EPS from continuing and discontinued operations	6,639	(588)
Adjustments to exclude (profit)/loss for the period from discontinued operations	-	-
Earnings used in the calculation of diluted EPS from continuing operations	6,639	(588)
	31/12/12 No. '000	31/12/11 No. '000
Weighted average number of ordinary shares and potential ordinary shares (a), (b)	34,171	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:

	31/12/12 No. '000	31/12/11 No. '000
Weighted average number of ordinary shares used in the calculation of basic EPS	33,753	33,753
Share options and performance share rights (i)	418	-
Weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted EPS	34,171	33,753

(i) Share options and performance share rights are included on the basis that they are dilutive.

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**Notes to the Financial Statements
For the Half Year Ended 31 December 2012**

8. Contingent Liabilities, Contingent Assets and Commitments

	31/12/12 \$'000	31/12/11 \$'000
<i>Contingent liabilities</i>		
Guarantees issued to bank in respect of lease of premises and supply contract performance	422	418
Letters of credit in respect of overseas purchases	4,283	303
	4,705	721

Guarantees over CMI Industrial Premises Leases

CMI Limited has provided a guarantee in respect of certain land and buildings leased by CMI Industrial Pty Ltd, which was granted prior to the sale of the Industrial by CMI Limited. The lessor under those leases may look to CMI Limited for any unpaid amounts due by CMI Industrial Pty Ltd under those leases. At this date, no additional claims which would result in net cash outflows by CMI Limited are expected.

Contingent assets

Option to purchase

The sale of the Engineering business to CMI Industrial Pty Ltd included a vendor loan provided by CMI Limited to CMI Industrial Pty Ltd (Refer Note 10) and 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. As noted in Note 10, entities associated with this option have entered liquidation. Exercise of the option by CMI Limited would require the surrender of the vendor loan and approval of the liquidator.

The Directors have assessed the fair value of this option as \$nil at 31 December 2011 and 31 December 2012 and do not expect to exercise this option at any point unless circumstances change.

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Notes to the Financial Statements
For the Half Year Ended 31 December 2012

9. Operating Segments

Information on reportable operating segments from continuing operations:

BUSINESS	CONTINUING OPERATIONS									
	TJM Products – Australia/USA		TJM Product – China		TJM Product – Total		Electrical Components		Consolidated	
	31/12/12 \$'000	31/12/11 \$'000	31/12/12 \$'000	31/12/11 \$'000	31/12/12 \$'000	31/12/11 \$'000	31/12/12 \$'000	31/12/11 \$'000	31/12/12 \$'000	31/12/11 \$'000
REVENUE										
External sales – Domestic	14,951	13,453	-	-	14,951	13,453	36,955	37,615	51,906	51,068
External sales – Export	5,417	5,281	158	33	5,575	5,314	-	-	5,575	5,314
Intersegment sales (i)	-	-	1,510	1,888	-	-	-	-	-	-
Total Segment Revenue	20,368	18,734	1,668	1,921	20,526	18,767	36,955	37,615	57,481	56,382
Interest income									20	1,231
Total revenue per the statement of comprehensive income									57,501	57,613
RESULT										
Segment result	(794)	451	212	(132)	(582)	319	10,281	11,437	9,699	11,756
Reconciliation of segment net profit before tax to net profit/(loss) after tax per the statement of comprehensive income										
Interest income									20	1,231
Employee benefits									(594)	(414)
ASX and share register expense									(46)	(78)
Borrowing costs									(246)	(61)
Other expenses from ordinary activities									(391)	(791)
Impairment expense									-	(9,270)
Income tax expense									(1,803)	(2,961)
Profit/(loss) after tax per the statement of comprehensive income									6,639	(588)

i) Inter-entity sales are recognised based on an internally set transfer price of goods at cost plus a margin. Sales are between TJM China and Australia/USA and hence eliminate in the consolidated TJM Total.

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

CMI Limited

Notes to the Financial Statements For the Half Year Ended 31 December 2012

9. Operating Segments (continued)

BUSINESS	TJM Products – Australia/USA		TJM Product – China		TJM Product – Total		Electrical Components		Consolidated	
	31/12/12 \$'000	30/06/12 \$'000	31/12/12 \$'000	30/06/12 \$'000	31/12/12 \$'000	30/06/12 \$'000	31/12/12 \$'000	30/06/12 \$'000	31/12/12 \$'000	30/06/12 \$'000
SEGMENT ASSETS										
Segment assets	27,591	26,948	1,448	1,349	29,039	28,297	38,811	37,823	67,850	66,120
Reconciliation of segment assets to the statement of financial position										
Cash and cash equivalents									1,799	2,881
Other financial assets									-	-
Future income tax benefits									128	418
Property, Plant & Equipment									6	7
Other assets									106	109
Intersegment Eliminations									-	-
Total assets from continuing operations per the statement of financial position									69,889	69,535

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:

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

**Notes to the Financial Statements
For the Half Year Ended 31 December 2012**

10. Other Non-Current Financial Assets

	31/12/12 \$'000	30/06/12 \$'000
Other receivables		
Loan receivable	17,000	17,000
Provision for Impairment	(17,000)	(17,000)
	-	-

The sale of the engineering business to CMI Industrial Pty Ltd included a loan provided by CMI Limited to CMI Industrial Pty Ltd 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, ranking behind the National Australia Bank and a personal guarantee from M.J. Hofmeister for \$2.5 million. On 26 February 2013, a bankruptcy trustee was appointed in relation to M. J. Hofmeister.

The loan was due to be repaid on 16 April 2011. Following an approach by CMI Industrial Pty Ltd, the Directors agreed to extend the repayment date by 6 months, 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 Limited 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 of CMI Limited 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 assessment, 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.

Administrators and Receivers were appointed to CMI Industrial Pty Ltd on 26 April 2012. On 28 February 2012, the Board of CMI Limited 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 assessment, 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 recorded on the principal (capital) impairment of \$8.5 million, as sufficient forecasted capital profits are not envisaged to utilise these losses.

At 31 December 2012, principal and interest arrears, including default interest and charges, and earlier adjustments due under the original sale agreements total, \$20.2 million.

In forming the accounts at 31 December 2012 and subsequent to this date the Board's assessment of the recoverable value of the loan and guarantee has not changed with respect to this asset. The loan is carried at a nil value and is classified as a non-current asset as the Board of CMI Limited does not expect the loan to be repaid in the following 12 month period.

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**Notes to the Financial Statements
For the Half Year Ended 31 December 2012**

11. Share-based Payment

Issued During the Period

In December 2012, 500,000 performance share rights were granted to the Executive Chairman and Managing Director under the Company's Performance Rights Plan (PRP). The exercise price of the rights is nil.

The rights parcels A (150,000 rights) and B (350,000 rights) vest if the Total Shareholder Return (TSR), based on the Group's 60-day volume weighted average price share price, increases by 15% within 12 months and 25% within 24 months, respectively, from the date of grant. If the 15% increase required for Parcel A is not met within 12 months, these shares form part of Parcel B, with the opportunity for them to vest if the share price increases by 25%. If this increase is not met within 24 months, both Parcel A and B rights lapse.

The fair value of the rights granted is estimated at the grant date, 14 December 2012, using a Monte Carlo simulation pricing model, taking into account the terms and conditions upon which the rights were granted. The contractual life of each right granted is five years. There is no cash settlement of the rights.

The fair value of rights granted during the six months ended 31 December 2012 was estimated on the date of shareholder approval using the following assumptions:

Volatility of share price (%)	50.0%
Risk-free interest rate (%)	2.60%
Dividend yield (%)	0.0%
60 day volume weighted average share price (\$)	\$1.92

On the basis of the assessment for the six months ended 31 December 2012, the Group has recognised \$37,021 of share-based payment transactions expense in the statement of comprehensive income (2011: \$nil).

Existing at Beginning of Period

At 31 December 2012, 600,000 options, exercisable at \$1.20 per option, were outstanding. These options expire 15 April 2013. These options were on issue for the whole of the period ended 31 December 2012.

Total Options and Performance Share Rights

At 31 December 2012, 1,100,000 options and performance share rights, over ordinary shares were outstanding. Refer to Note 3 for options and performance share rights issued subsequent to 31 December 2012.

CMI LIMITED
DIRECTORS' REPORT

The Directors of CMI Limited submit herewith the financial report for the half-year ended 31 December 2012. 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 (Executive Chairman and Managing Director)

Leanne J. Catelan (Director)

Danny Herceg (Director)

Stephen E. Lonie (Director)

Stephen Lonie held office since 3 December 2012 to 27 February 2013. Colin Ryan, Leanne Catelan and Danny Herceg held office during the entire half-year and all have held office since the end of the half-year.

REVIEW OF OPERATIONS

Revenue for the half-year from continuing operations was \$57.501 million (2011: \$57.613 million). The company's profit after tax from continuing operations was \$6.639 million (2011: loss \$0.588 million). The 2011 half-year result includes an impairment expense of \$9.270 million related to a loan receivable from CMI Industrial Pty Ltd.

The Electrical Division produced a pre-tax profit of \$10.3m, a decrease of \$1.2m on the 2011 half-year. Revenue decreased to \$37.0m, 2% (or \$0.7m) down on the prior comparative period.

Revenue from Electrical building and construction products for the half is higher than for the prior half-year. Overall, the reduced sales of higher margin mining product and the increased sales of lower margin building and construction product has changed the mix of sales margin, which has resulted in lower overall margin and lower Electrical Division earnings.

The lower coal price has impacted on underground coal mine operators, causing deferral of some capital expenditure and pressure on operational costs, which has consequently impacted Electrical Division revenue from the sale of its products into the underground coal mining sector. While the coal price remains at current levels, revenue and cost pressures in that sector appear likely to continue.

The TJM Products Division, comprising the Australian, Chinese and USA operations, produced a pre-tax loss of \$0.6m, a decrease of \$0.9m on the 2011 half-year. Revenue (excluding intercompany sales) increased to \$20.5m, 9% (or \$1.8m) up on prior comparative period.

Revenue from the TJM domestic stores network, excluding Original Equipment domestic sales, is up by 17% on the prior comparative period. However, earnings are being impacted by on-going restructuring costs and by losses in the USA operation. The TJM restructure will continue, with a focus on improvement in supply chain logistics, inventory control, expansion of TJM's assembly, warehousing and distribution facilities in China and further development of export opportunities.

As outlined in Note 10, the sale of the engineering business to CMI Industrial Pty Ltd, in April 2008, included a loan provided by CMI Limited to CMI Industrial Pty Ltd to purchase the business with a \$17 million face value. The loan is secured by a second ranking fixed and floating charge over CMI Industrial Pty Ltd, ranking behind the National Australia Bank and a personal guarantee from M.J. Hofmeister for \$2.5 million. On 26 February 2013, a bankruptcy trustee was appointed in relation to M. J. Hofmeister. The loan is carried at a nil value at 31 December 2012, and the Board of CMI Limited does not expect this appointment to materially impact this carrying value.

The significant change in the net tangible assets per ordinary security is due to the purchase of the Company's Class A shares out of the Company's cash reserves and borrowings.

The Company's taxation expense for the period has been impacted by the overprovision of taxation expense in the 30 June 2012 year.

A summary of segment results can be found under Note 9 Segment Reporting and the review of operations in the Directors Report of the Half Yearly Report for 31 December 2012.

The Directors have resolved not to pay an interim dividend to Ordinary shareholders for the half year to 31 December 2012.

INDEPENDENCE DECLARATION BY AUDITORS


The auditor's independence declaration is included on page 24.

ROUNDING OFF OF AMOUNTS

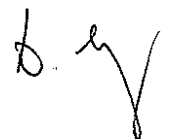
The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

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
Executive Chairman



Danny Herceg
Director

SYDNEY Dated: 27 February 2013

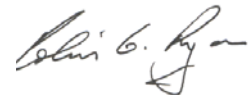
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CMI LIMITED
DIRECTORS' DECLARATION
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

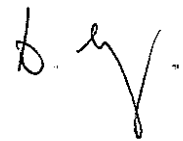
In accordance with a resolution of the directors of CMI Limited, I state that:
In the opinion of the directors:

- (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 2012 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
Executive Chairman



Danny Herceg
Director

SYDNEY

Dated: 27 February 2013

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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 statement of financial position as at 31 December 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, 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 of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

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 a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the 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 2012 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.

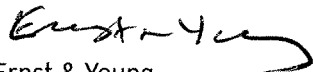

Independence

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:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.


Ernst & Young

Brad Tozer
Partner
Brisbane
27 February 2013

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 2012, 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



Brad Tozer
Partner
27 February 2013

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