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The Company Announcements Office
ASX Limited
Level 6, Riverside Centre
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BRISBANE QLD 4000

Announcement of strategic intentions and Dividend Guidance

CMI Limited (ASX:CMI) today announced its strategic intention of expanding the company's current business operations by actively seeking acquisitions and growth opportunities that are compatible with the core businesses of the company while continuing its focus on the organic growth of those core businesses both domestically and internationally.

To carry out this intent, the Company has decided to continue to strengthen its balance sheet and to maximise its cash position at least until after its review of the 2013 financial year results. Therefore the Board has adopted a Dividend Policy that will consolidate that cash position. The Board is not expected to declare dividends to the Class A or the Ordinary shareholders until after 30 June 2013. After then, the Board will review this Policy to determine whether the Policy should continue for a further period.

The Board's decision is intended to enable the CMI businesses to grow in size and profitability to a level that will allow the Board, in the future, to resume appropriate dividend distributions to all shareholders while maintaining a prudent dividend payout ratio.

In accordance with its review obligations, the Board will continue, on a quarterly basis, to assess the appropriateness of declaring and paying a dividend for Class A shares. However, in doing so, the Board will take into account its announced Dividend Policy.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Sharyn Williams'.

Sharyn Williams
Company Secretary