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18 April 2011

Australian Stock Exchange Limited
Level 6, Riverside Centre
123 Eagle Street
BRISBANE QLD 4000

CMI Industrial Pty Limited Loan

CMI Limited (ASX:**CMI**) today announces that following an approach by CMI Industrial Pty Limited it has agreed to extend the repayment date for its vendor loan to CMI Industrial Pty Limited (**Industrial**) by 6 months. The loan was due to be repaid on 16 April 2011. The loan is extended on the same terms and conditions.

The loan relates to the sale of CMI's engineering business to Industrial in 2008. The purchase price for the business was \$51million, of which \$17million comprises the vendor loan.

Industrial has reported that it has experienced difficult trading conditions which include the effects of lost production days due to the floods in Toowoomba and Horsham and major customer Ford Motor Company working a three day week in March 2011. Industrial is in arrears since February 2011 on interest payments on the vendor loan and CMI Limited has agreed to a staged repayment of this interest over the next 6 months.

Industrial was unable to repay the loan due on 16 April in whole or in part on that date. However, Industrial is pursuing a strategy to raise funds for repayment.

CMI has reviewed its remedies under the loan documents arising from the non-payment and has concluded that a loan extension is in the best interests of CMI Limited.

As announced on 24 June 2010, CMI has impaired the value of the vendor loan in its books to \$8.5million.

Yours Faithfully

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

Sharyn Williams
Company Secretary