

**Results For Announcement To The Market
For the Financial Year Ended 30 June 2011**

**Preliminary Final Report of CMI Limited for
the Financial Year Ended 30 June 2011**

(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 2011

Previous Corresponding Period: Financial Year Ended 30 June 2010

**Results For Announcement To The Market
For the Financial Year Ended 30 June 2011**

Revenue and Net Profit/(Loss)

		Percentage Change %	Amount \$'000
Revenue from continuing operations	Up	29%	to 102,266
Net profit from continuing ordinary activities after tax attributable to member	Up	1025%	to 13,320
Net profit after tax attributable to members from continuing operations	Up	1025%	to 13,320

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 revenue of \$102,266 thousand, an increase of 29% on prior year, and a profit after tax of \$13,320 thousand.

A summary of all segment results can be found in Note 11 Segment reporting.

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

Net Tangible Assets Per Ordinary Security

	2011	2010
Net tangible assets per ordinary security	\$1.69	\$1.31

CMI Limited

Consolidated Statement of Comprehensive Income For the Financial Year Ended 30 June 2011

Continuing Operations	Note	2011 \$'000	2010 \$'000
Revenue	2(a)	102,266	79,125
Other income		2,733	4,859
Changes in inventories		4,291	(164)
Raw materials expense		(61,707)	(46,407)
Sub-contractors expense		(1,182)	(625)
Employee benefits expense		(12,839)	(12,250)
Repairs, maintenance and consumables expense		(841)	(800)
ASX and share register expense		(87)	(111)
Occupancy expense		(3,249)	(3,613)
Travel and communication expense		(2,208)	(1,753)
Freight and cartage expense		(4,503)	(2,393)
Depreciation and amortisation expense		(1,099)	(867)
Borrowing costs		(175)	(298)
Impairment expense		-	(8,126)
Write off assets damaged in fire		-	(3,536)
Other expenses from ordinary activities		(2,593)	(2,069)
<i>Profit/(Loss) from continuing operations before income tax expense</i>	2	18,807	972
Income tax	13	(5,487)	(2,412)
<i>Profit/(Loss) from continuing operations after income tax expense</i>		13,320	(1,440)
<i>Profit/(Loss) from discontinued operations net of income tax</i>	12	-	991
<i>Profit/(Loss) for the year</i>		13,320	(449)
Other comprehensive income			
Foreign currency translation		(166)	80
Other comprehensive income for the year, net of tax		(166)	80
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		13,154	(369)
Profit/(Loss) for the year is attributable to the owners of the parent		13,320	(449)
Total comprehensive income for the year is attributable to the owners of the parent		13,154	(369)
<i>Earnings Per Share from continuing operations:</i>			
Basic (cents per share)	7	39.46	(4.27)
Diluted (cents per share)	7	39.46	(4.27)
<i>Earnings Per Share from continuing and discontinuing operations:</i>			
Basic (cents per share)		39.46	(1.33)
Diluted (cents per share)		39.46	(1.33)

Notes to the financial statements are included on pages 7 to 25

CMI Limited

Consolidated Statement of Financial Position As At 30 June 2011

	Note	2011 \$'000	2010 \$'000
Current Assets			
Cash and cash equivalents	5	16,099	9,052
Trade and other receivables		18,276	14,794
Inventories		24,976	20,685
Total Current Assets		59,351	44,531
Non-Current Assets			
Property, plant and equipment		4,809	4,297
Other financial assets	14	8,500	8,500
Goodwill		6,850	6,850
Other intangible assets		2,292	1,783
Deferred tax assets		455	495
Total Non-Current Assets		22,906	21,925
Total Assets		82,257	66,456
Current Liabilities			
Trade and other payables		9,939	8,737
Borrowings		271	257
Current tax payables		4,455	2,501
Provisions		1,316	1,449
Total Current Liabilities		15,981	12,944
Non-Current Liabilities			
Borrowings		113	331
Provisions		128	300
Total Non-Current Liabilities		241	631
Total Liabilities		16,222	13,575
Net Assets		66,035	52,881
Equity			
Issued Capital		70,103	70,103
Reserves		76	242
Accumulated losses		(4,144)	(17,464)
Total Equity		66,035	52,881

Notes to the financial statements are included on pages 7 to 25

**Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2011**

	Issued Capital	Reserves	Retained Earnings/ Accumulated Losses	Total Equity
	\$'000	\$'000	\$'000	\$'000
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 1 July 2010	70,103	242	(17,464)	52,881
Profit/(Loss) for the period	-	-	13,320	13,320
Net foreign exchange differences	-	(166)	-	(166)
Total comprehensive income for the year	-	(166)	13,320	13,154
Transactions with owners in their capacity as owners	-	-	-	-
At 30 June 2011	70,103	76	(4,144)	66,035

Notes to the financial statements are included on pages 7 to 25

CMI Limited

Consolidated Cash Flow Statement For the Financial Year Ended 30 June 2011

	Note	2011 \$'000	2010 \$'000
Cash Flows From Operating Activities			
Receipts from customers		106,439	85,082
Payments to suppliers and employees		(97,668)	(78,261)
Interest and other costs of finance paid		(119)	(220)
Income tax paid		(3,438)	40
Insurance recovery relating to fire		2,525	4,017
Net cash provided by/(used in) operating activities	5(d)	7,739	10,658
Cash Flows From Investing Activities			
Interest received		1,714	1,362
Payment for property, plant and equipment		(1,387)	(1,450)
Proceeds from sale of property, plant and equipment		130	166
Payment for acquisition of business	8	-	(647)
Proceeds from sale of business		-	300
Payment for other intangible assets		(901)	(877)
Payment from sale of business		-	(347)
Net cash provided by/(used in) investing activities		(444)	(1,493)
Cash Flows From Financing Activities			
Payment of finance liabilities		(242)	(537)
Repayment of borrowings		-	(1,000)
Dividends paid		-	-
Net cash provided by/(used in) financing activities		(242)	(1,537)
Net Increase/(Decrease) In Cash and Cash Equivalents			
		7,053	7,628
Cash and Cash Equivalents At The Beginning Of The Financial Year			
		9,052	1,342
Effects of exchange rate changes on the balance of cash held in foreign currencies		(6)	82
Cash and Cash Equivalents At The End Of The Financial Year			
	5(a)	16,099	9,052

Notes to the financial statements are included on pages 7 to 25

**Notes to the Financial Statements
For the Financial Year Ended 30 June 2011**

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**Notes to the Financial Statements
For the Financial Year Ended 30 June 2011**

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 2010, the interim financial report for the half-year ended 31 December 2010 and considered together with any public announcements made by CMI Limited during the year ended 30 June 2011 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.

**Notes to the Financial Statements
For the Financial Year Ended 30 June 2011**

	2011 \$'000	2010 \$'000
2. Profit From Operations		
Profit from ordinary activities before income tax includes the following items of revenue and expense:		
(a) Revenue and Other Income – continuing operations		
Continuing operations		
Sales of goods	100,313	77,763
Interest – other persons	1,953	1,362
	<u>102,266</u>	<u>79,125</u>
Insurance recovery relating to fire	1,983	4,017
Other Items	750	842
	<u>2,733</u>	<u>4,859</u>
(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	27	55
Net foreign exchange gains/(losses)	(98)	29
	<u>(71)</u>	<u>84</u>
Profit before income tax from continuing operations has been arrived at after charging the following expenses:		
Cost of sales	63,229	49,488
Net bad and doubtful debts	56	17
Depreciation and amortisation of:		
Property, plant and equipment	624	528
Leased assets	37	104
Brand names	-	-
Other intangibles	438	235
	<u>1,099</u>	<u>867</u>
Impairment Expense:		
Loan receivable	-	8,000
Goodwill	-	-
Capitalised Development	-	-
Brand name	-	-
Property, plant & equipment	-	126
	<u>-</u>	<u>8,126</u>

**Notes to the Financial Statements
For the Financial Year Ended 30 June 2011**

3. Subsequent Events

On 24 July 2011, CMI's Managing Director Raymond Catelan passed away and ceased to be a director of the company.

On 30 August 2011 Ms Leanne Catelan was appointed a director, Mr Richard Catelan resigned as a director and Mr Colin Ryan was appointed Executive Chairman (formerly Non-executive Chairman).

Trojan Equity Limited has initiated legal proceedings in the Supreme Court of Queensland against CMI Limited, the personal representatives of CMI's former managing director Raymond Catelan (deceased), CMI's current directors Colin Ryan and Danny Herceg, former director Richard Catelan and various shareholders of CMI Limited. Trojan has applied to the Court for a range of relief including an order that CMI be wound up, damages and an account of profits. These items cannot be quantified at this time.

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 \$16.0m, an increase of \$5.0m on the 2010 year. Revenue increased to \$61.8m, 36% (or \$16.2m) up on last year. After the slow first quarter, the Mining, Industrial and Construction sectors gained some steady momentum. Whilst the Floods did have an impact, the mining sector quickly recovered. The last quarter has seen a downturn in the Construction sector while the Mining sector remains buoyant.

The TJM Products Division produced a pre-tax profit of \$2.8m, an increase of \$4.2m on the 2010 year. Revenue (excluding intercompany sales) increased to \$38.5m, 20% (or \$6.3m) up on last year. The pre-tax profit includes \$2.0m relating to insurance recoveries less expenses relating to the fire. The performance of the division indicates a turnaround from previous periods to profitability which can be attributed to the ongoing investment in product designs, brand identity, supply chain and distribution relationships.

**Notes to the Financial Statements
For the Financial Year Ended 30 June 2011**

2011 \$'000	2010 \$'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	6,954	5,034
Term Deposit	9,145	4,018
	<u>16,099</u>	<u>9,052</u>
Bank overdraft	-	-
	<u>16,099</u>	<u>9,052</u>

(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 (2010: \$nil 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	-	-
Amount unused	9,000	9,000
	<u>9,000</u>	<u>9,000</u>

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

Profit/(loss) for the period	13,320	(449)
(Gain)/loss on sale of non-current assets	(27)	(55)
Depreciation and amortisation of non-current assets	1,099	867
Interest income received and receivable	(1,715)	(1,362)
Finance lease interest	39	65
Payment from sale of business	-	(616)
Unrealised Foreign Exchange (Gain)/Loss	(13)	-
Impairment of non-current assets	-	8,126
Increase/(decrease) in current tax liability	1,954	1,757
Increase/(decrease) in deferred tax	40	324
Changes in net assets and liabilities, net of effects from acquisition of businesses:		
(Increase)/decrease in assets:		
Current receivables	(3,120)	(2,205)
Current inventories	(4,439)	197
Increase/(decrease) in liabilities:		
Current payables	485	3,249
Current borrowings	-	-
Current provisions	72	607
Non-current provisions	44	(494)
Net cash from operating activities	<u>7,739</u>	<u>10,011</u>

**Notes to the Financial Statements
For the Financial Year Ended 30 June 2011**

6. Details Relating to Dividends (Distributions)

		Amount per security ¢	Franked Amount per security ¢	Amount per security of foreign sourced dividend ¢
Final dividend – Ordinary	2011	-	-	N/A
Final dividend – Class A	2011	-	-	N/A
Interim dividend – Ordinary	2011	-	-	N/A
Interim dividend – Class A	2011	-	-	N/A
Interim dividend – Ordinary	2010	-	-	N/A
Final dividend – Ordinary	2010	-	-	N/A
Interim dividend – Class A	2010	-	-	N/A
Final dividend – Class A	2010	-	-	N/A

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

	2011 ¢	2010 ¢
Ordinary securities (each class separately)	-	-
Class A (each class separately)	-	-

Interim and final dividend (distribution) on all securities

	2011 \$'000	2010 \$'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 2011.

**Notes to the Financial Statements
For the Financial Year Ended 30 June 2011**

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

	2011	2010
	¢ per share	¢ per share
Basic EPS	39.46	(4.27)
Diluted EPS	39.46	(4.27)

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:

	2011	2010
	\$'000	\$'000
Earnings (a)	13,320	(1,440)

	2011	2010
	No. '000	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	2009
	\$'000	\$'000
Net profit/(loss)	13,320	(1,440)
Class A share dividends provided for or paid	-	-
Earnings used in the calculation of basic EPS	13,320	(1,440)

(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 2011**

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:

	2011 \$'000	2010 \$'000
Earnings (a)	13,320	(1,440)
	2011 No. '000	2010 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:

	2011 \$'000	2010 \$'000
Net profit/(loss)	13,320	(1,440)
Class A share dividends provided for or paid	-	-
Earnings used in the calculation of diluted EPS	13,320	(1,440)

- (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:

	2011 No. '000	2010 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.

**Notes to the Financial Statements
For the Financial Year Ended 30 June 2011**

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
	<u>647</u>

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	<u>647</u>
Brandname on acquisition	-
Goodwill on acquisition	<u>-</u>
	<u>647</u>

Net Cash Outflow on Acquisition

Cash and cash equivalents consideration	647
Less cash and cash equivalents balances acquired	<u>39</u>
	<u>608</u>

Control gained over entities

Year	Name of entity (or group of entities)	Date control gained	% Acquired
2011	TJM Off-Road Products Inc.	08/04/2011	100%
2010	TJM Shenzhen Ltd	01/10/09	100%

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

**Notes to the Financial Statements
For the Financial Year Ended 30 June 2011**

9. Details of Associates and Joint Venture Entities

Name of Entity	Ownership Interest		Contribution to net profit	
	2011	2010	2011 \$'000	2010 \$000
Associates	%	%		
	-	-	-	-
Joint Venture Entities	-	-	-	
Aggregate Share of Profits/ (Losses)	\$'000	\$'000		
	-	-	-	-

10. Contingent Liabilities and Contingent Assets

	2011 \$'000	2010 \$'000
Contingent liabilities		
Guarantees issued to bank in respect of overseas purchases and lease of premises	1,837	1,186

Australian Taxation Office Audit

The group is currently responding to a number of inquiries made by the Australian Taxation Office. Based on the evidence the Directors believe there will be no liability and will strenuously defend any claim.

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 has been 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 2011.

**Notes to the Financial Statements
For the Financial Year Ended 30 June 2011**

(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 2011. During the 2010 financial year, the insurers made a preliminary payment on account of an amount of \$4.0 million (net of deductible). 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 have 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. To the date of this report \$46,368 (US\$51,000) has been contributed.

TJM Shenzhen Capital Commitment

At 30 June 2010 CMI Limited had a commitment to contribute A\$51,226 (US\$43,660) in capital by 30 September 2011. The commitment related to contributions to the registered capital of the company in accordance with TJM Shenzhen's articles of association. This amount was contributed during the current year.

CMI Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2011

11. Operating Segments

BUSINESS	CONTINUING OPERATIONS									
	TJM Products – Domestic		TJM Product – China		TJM Product – USA		Electrical Components		Consolidated	
	30/06/11 \$'000	30/06/10 \$'000	30/06/11 \$'000	30/06/10 \$'000	30/06/11 \$'000	30/06/10 \$'000	30/06/11 \$'000	30/06/10 \$'000	30/06/11 \$'000	30/06/10 \$'000
REVENUE										
External sales	38,038	31,716	491	489	5	-	61,830	45,583	100,364	77,788
Intersegment sales (ii)	-	-	2,522	1,398	-	-	-	19	2,522	1,417
Other revenue	-	-	-	-	-	-	-	-	-	-
Total Segment Revenue	38,038	31,716	3,013	1,887	5	-	61,830	45,602	102,886	79,205
Interest income									1,902	1,337
Inter-segment eliminations									(2,522)	(1,417)
Total revenue per the statement of comprehensive income									102,266	79,125
RESULT										
Segment result	2,724	(1,260)	114	(154)	(72)	-	15,975	10,941	18,741	9,528
Reconciliation of segment net profit before tax to net profit/(loss) after tax per the statement of comprehensive income										
Interest income									1,902	1,337
Employee benefits									(977)	(952)
ASX and share register expense									(87)	(111)
Borrowing costs									(136)	(233)
Impairment receivable									-	(8,000)
Other expenses from ordinary activities									(636)	(597)
Income tax expense									(5,487)	(2,412)
Discontinued operations after tax									-	991
Profit after tax per the statement of comprehensive income									13,320	(449)

- i) Prior period comparatives have been adjusted where required to meet current year presentation format.
- ii) Inter-entity sales are recognised based on an internally set transfer price of goods at cost plus a margin.
- iii) 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 2011 (CONTINUED)

11. Operating Segments (continued)

BUSINESS	TJM Products – Domestic		TJM Product – China		TJM Product – USA		Electrical Components		Consolidated	
	30/06/11	30/06/10	30/06/11	30/06/10	30/06/11	30/06/10	30/06/11	30/06/10	30/06/11	30/06/10
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
SEGMENT ASSETS										
Segment assets	20,471	18,453	2,151	1,550	495	-	37,637	29,998	60,754	50,001
Reconciliation of segment assets to the statement of financial position										
Cash and cash equivalents									11,625	6,934
Other financial assets									8,500	8,500
Future income tax benefits									325	472
Property, Plant & Equipment									6	7
Other assets									674	367
Intersegment Eliminations									373	175
Total assets from continuing operations per the statement of financial position									82,257	66,456

CMI LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011 (CONTINUED)

11. Operating Segments (continued)

BUSINESS	TJM Products – Domestic		TJM Product – China		TJM Product – USA		Electrical Components		Consolidated	
	30/06/11	30/06/10	30/06/11	30/06/10	30/06/11	30/06/10	30/06/11	30/06/10	30/06/11	30/06/10
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

SEGMENT LIABILITIES

Segment liabilities	4,504	5,315	714	454	1	-	6,079	4,943	11,298	10,712
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Reconciliation of segment assets to the statement of financial position

Tax Payables									4,410	2,501
Other Liabilities									514	362

Total liabilities from continuing operations per the statement of financial position

16,222	13,575
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BUSINESS	TJM Products – Domestic		TJM Product – China		TJM Product – USA		Electrical Components		Reconciliation to statement of cashflows		Consolidated	
	30/06/11	30/06/10	30/06/11	30/06/10	30/06/11	30/06/10	30/06/11	30/06/10	30/06/11	30/06/10	30/06/11	30/06/10
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

CASHFLOW INFORMATION

Net cash flow from operating activities	3,415	1,121	222	(333)	(534)	-	9,819	12,293	(5,183)	(2,423)	7,739	10,658
Net cash flow from investing activities	(2,331)	(2,160)	(78)	(417)	521	-	(217)	(205)	1,661	1,289	(444)	(1,493)
Net cash flow from financing activities	(234)	(1,134)	42	705	10	-	(66)	(107)	6	(1,001)	(242)	(1,537)

CMI LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011 (CONTINUED)

11. 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 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:

cContinuing 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 2011**

12. Discontinuing Operations

FY 30/06/2011 – Nil

FY 30/06/2010 - Nil

(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.

(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					
	2011			2010		
	Engineering	Capital Corp	Total	Engineering	Capital Corp	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	-	-	-	13	410	423
Expenses	-	-	-	(9)	-	(9)
Gross profit/(loss)	-	-	-	4	410	414
Recoverable expenses	-	-	-	206	-	206
Gain on disposal	-	-	-	-	-	-
Finance costs	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Profit/(Loss) before tax from discontinued operations	-	-	-	210	410	620
Income Tax	-	-	-	371	-	371
Profit/(Loss) from discontinued operations	-	-	-	581	410	991

**Notes to the Financial Statements
For the Financial Year Ended 30 June 2011**

13. Reconciliation of Income Tax Expense

2011		Continuing Operations	Discontinued Operations	
	Consolidated		Capitalcorp	Engineering
	\$'000	\$'000	\$'000	\$'000
Profit/(Loss) Before Tax	18,807	18,807	-	-
At 30%	5,642	5,642	-	-
Prior year under/overs	(24)	(24)	-	-
Prior year amendments	-	-	-	-
Foreign tax rate adjustment	-	-	-	-
Non assessable gain on sale	-	-	-	-
Impairment	-	-	-	-
Other	(131)	(131)	-	-
Tax Expense/(Benefit)	5,487	5,487	-	-

2010		Continuing Operations	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)

**Notes to the Financial Statements
For the Financial Year Ended 30 June 2011**

14. Other Financial Assets

	2011 \$'000	2010 \$'000
Other Receivables		
Loan receivable	17,000	16,500
Provision for Impairment	(8,500)	(8,000)
	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 instrument had embedded early repayment discount features that allowed for discounts of up to \$3 million. This discount decreased 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.

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.

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

In forming the accounts at 30 June 2011 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 classed 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 2011**

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.

- | | | | |
|-------------------------------------|--|--------------------------|---|
| ☐ | The accounts have been audited. | ☐ | The accounts have been subject to review. |
| ☒ | The accounts are in the process of being audited or subject to review. | ☐ | 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
