



**ASX Announcement**

**18 June 2012**

## **OPERATIONAL UPDATE**

### **CMI Legal Proceedings**

Trojan Equity Limited (TJN) is pleased to advise that the settlement arrangements entered into with CMI Limited (CMI) and others on 12 March 2012 have now been completed. TJN has received consideration of \$2,876,600 pursuant to the buyback of all CMI Class A shares via a selective capital reduction at a price of \$0.95 per Class A share. TJN has also received payments totaling \$515,000 from CMI and the other respondents as a contribution towards TJN's legal costs.

TJN has now released all parties to the proceedings and it is expected that the proceedings will be dismissed in the near future. TJN will then receive back the \$600,000 which has been held by the Supreme Court of Queensland as security for costs.

### **Profit and Dividend**

Following the completion of the CMI legal proceedings, TJN today has cash of about \$3.9 million, a tax liability of about \$500,000 and no other material assets or liabilities. This represents a net asset backing of about 43.7 cents per share.

Based on management accounts, TJN expects to report a net profit after tax for the 2011/12 financial year of about \$1.04 million.

Based on the anticipated profit, TJN has today declared a dividend with the following details:

Amount:	13.5c per share fully franked
Ex-date:	27 June 2012
Record date:	3 July 2012
Payment date:	10 July 2012

### **The Future**

TJN's program of downsizing by realising assets and returning capital to its shareholders is at an end and the CMI legal proceedings which have paralysed the company for the past year or so are also at an end. This will allow TJN to focus once again on its core business as a listed investment company. This involves investing principally in listed securities. However, as it has always done, TJN will also consider investment in unlisted securities where the appropriate risk reward balance can be found.

TJN continues to maintain very low operating costs and the directors have again voluntarily agreed to reduce their directors' fees to \$10,000 pa each for the 2 non-executive directors and \$20,000 pa for the managing director. These new fees will be effective from 1 July 2012.

For further information, please contact Troy Harry, Managing Director, on 07 3121 5666 or [info@trojanequity.com.au](mailto:info@trojanequity.com.au).