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ASX and Media Release

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TJM STRATEGIC REVIEW UPDATE

As has been advised in recent market presentations, CMI Limited has been conducting a strategic review of TJM, the 4WD aftermarket products division of the Company.

The purpose of the review has been to determine whether the value proposition to CMI shareholders is more enhanced by retaining the TJM division or through a sell down of the business that could include a divestment, spin off or merger transaction.

As a result of the strategic review, the board of CMI has recognised that greater value may be realised for CMI shareholders by divesting the TJM business. This view is based on achieving a divestment of TJM for a price which would be at or above the carrying value of TJM on the CMI balance sheet, and re-employing these funds more effectively. As such, CMI limited has entered into discussions with a number of interested parties with a view to being in a position to close a transaction in the third quarter of FY15.

CMI Executive Chairman, Mr Andrew Buckley, stated that:-

“The sale of TJM will realise significant value to CMI shareholders from what has been, to date, a poorly performing business. Our view is that these funds can be used to finance acquisitions which will deliver strongly profitable returns for CMI and potentially have better synergies with the CMI Electrical products division.

However, if the sale does not complete as intended, or cannot be closed at a sufficient price, we will continue to operate the business and implement more initiatives which will continue to improve the profitability of the business.”

Additionally, CMI is pleased to announce that a number of strategic initiatives already implemented to improve the profitability of TJM are starting to deliver improved operating results. In the five month period to the end of November, TJM has delivered a positive EBITDA result that is a significant improvement over the previous year.

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About CMI (ASX: CMI): Established in 1991, and listed on the ASX in 1993, CMI Limited’s operations include the distribution of electrical cables and components for industrial and mining applications through CMI Electrical and the distribution of 4WD accessories via the TJM 4WD network throughout Australia and around the world.