



CMI Limited ABN 98 050 542 553
150 Robinson Road Geebung Qld 4034 Australia
Postal address: PO Box 716 Virginia Qld 4014 Australia
Telephone: (07) 3865 9969 Facsimile: (07) 3865 3677
Email: corporate@cmilimited.com.au Web: www.cmilimited.com.au

ASX and Media Release

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CMI ANNOUNCES HALF YEAR PROFIT OF \$1.9 MILLION FOR FY2015

CMI Limited (ASX: CMI) today announced a net profit after tax of \$1.9 million for the half-year ended 31 December 2014, which is in line with guidance announced earlier this month. Key parameters of the results are:

- Revenue of \$39 million – a 21 percent decrease on H1FY14 (9 percent decrease on H2FY14) largely due to the continuing impact of the mining and construction slowdown on the electrical business and reduction in low margin original equipment (OE) revenues in TJM;
- Net profit after tax of \$1.9 million – a 23% reduction on the previous corresponding period (PCP) but a 65% increase on H2FY14;
- A positive EBITDA result for the TJM Products division with an improvement in profit before tax of \$1.7m over the PCP
- A fully franked interim dividend of 3 cents per share declared maintaining the current dividend payment;
- A solid operational cash flow of \$1.8 million;
- The balance sheet remains strong with \$6.8 million of cash and negligible debt.

Commenting on the results, Mr Andrew Buckley, CMI Executive Chairman said:

“CMI’s profit of \$1.9 million was representative of the difficult conditions the Company faced with the significant reduction in coal mining and construction activity impacting the Electrical division and ongoing, but greatly reduced, losses in the TJM Products division.

Our key focus for the current period has been the implementation of operational improvements in TJM and the consideration of ways to realise value from this business.”

Mr Buckley also noted that the Company’s balance sheet is strong and operating cash flow was healthy which supports potential future growth opportunities.

The Board has declared a 3 cent fully franked interim dividend, with a record date of 9 March 2015 and payable on 23 March 2015.

Outlook:

The outlook for CMI Electrical remains challenged by tough conditions in the coal mining sector and major project markets and this is not expected to improve until we move into FY2016.

CMI’s approach to realising value from TJM has been to continue to improve operational performance while focussing on the possible divestment of the business. In relation to the potential divestment of TJM, negotiations have progressed to the point where CMI has entered into exclusive discussions with one party. CMI remains confident that it should be in a position to close a transaction in the March quarter of FY15, but only if the value generated by the sale is at or above book value for the business.



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Summary financial metrics are included in the following table:

	H1FY15 \$m	H1FY14 \$m	Change	H2FY14 \$m	Change
Revenue	39.1	49.5	(21%)	42.9	(9%)
EBITDA	3.8	4.3	(11%)	2.5	53%
EBITDA margin	10%	9%		6%	
Net profit after tax	1.9	2.4	(23%)	1.1	65%
Basic earnings per share (cents)	5.40	7.00	(23%)	3.29	64%
Net operating cash flow	1.9	0.2		5.8	
Dividends per share (cents) – fully franked	3	3		3	
Total assets	68.4	67.8		68.4	
Total liabilities	10.1	10.7		11.5	

CMI today released its Appendix 4D and this is available to download from the company's website (www.cmilimited.com.au).

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Contacts:

Mr Andrew Buckley
 Executive Chairman
 Mobile: +61 (0)412 059 526

Ms Sharyn Williams
 Chief Financial Officer
 Phone: +61 (0)7 3865 9969

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.