

Chairman and Chief Operating Officer's Address

Annual General Meeting

of

CMI Limited ACN 050 542 533

10.00am on 26 November 2008

Opening of Meeting - AGM

The Chairman – Danny Herceg

Good morning ladies and gentlemen

My name is Danny Herceg and I have been a non-executive Director of CMI Limited since March 2007. I have pleasure in welcoming you to the 2008 Annual General Meeting of Ordinary Shareholders of CMI Limited and thank you for coming along to the meeting. Unfortunately the Chairman of the board, Colin Ryan, is unwell and is unable to be here today. In his absence, I have been elected by the board to chair today's meeting.

It is now the appointed time for the Meeting and a quorum is present.

I formally declare the Meeting open.

Only Ordinary Shareholders or their duly appointed proxies can vote on the motions at today's Annual General Meeting.

What will happen is that I will put the motion to the meeting, ask for the motion to be moved by a Shareholder and Seconded by a Shareholder, put the motion for questions or comments and then put the motion to a vote. Resolutions 1 to 3 will be dealt with on a show of hands unless a poll is demanded. Please note that you will have the opportunity to ask questions or make comments in regard to the resolutions as we address each one in turn.

I will ask that you ensure that your questions and comments are on the resolution before the meeting and that you do not repeat what has already been addressed by an earlier comment or question.

Visitors are not entitled to speak at the meeting without my leave or the leave of the meeting and I have not been made aware of any reasons that would compel me to allow any visitor to speak at this meeting today.

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Introduction of Board Members and Others

Firstly, I would like to introduce you to my fellow directors and company executives:

- (a) Richard Catelan (Director); and
- (b) Sharyn Williams (Company Secretary)

Unfortunately, the managing director, Ray Catelan, is also unwell and sends his apologies for today's meeting.

Also present are:

Matthew Sheerin from Deloitte Touche Tohmatsu, the Company's Auditors;

Kristan Butler from McCullough Robertson, the Company's lawyers; and

Kevin Rowe from Link Market Services, the Company's share registry.

Chairman's Address

Ladies and Gentlemen,

The 2008 year has been another year of change for CMI. In his address at last year's annual general meeting, the managing director said that the board believed that the Company's future was with CMI's electrical business and that CMI's engineering and finance businesses should be sold or merged with other businesses. In April this year, CMI completed the sale of its engineering business (other than TJM Products) for \$51m, an amount significantly above the valuation by the independent expert. The company has also today announced the sale of 51% of its finance business.

CMI's engineering business mainly produced parts for the car industry, which has suffered recently and faces a very difficult future. Our finance business has been hard hit by poor car sales and the global financial crisis. The successful sale of the engineering business and a controlling interest in the finance business leave the Company much better placed for the future.

Together with these sales, the Company has adopted a cautious and conservative approach. We have tried to conserve cash and reduce borrowings where possible. One of the ways we have done this is by putting dividends to all our shareholders on hold. We believe this is the prudent thing to do in the current economic crisis and given the difficulties in the financial markets. Although the board continues to believe that the existing share capital structure should be rationalised, we did not proceed with the proposed Class A share buyback for the same reasons.

Although CMI still holds a minority stake in the finance business, its future now lies largely with the electrical division and TJM Products. The Company recently appointed Richard Catelan as a director, and as chief operating officer to assist the managing director and the management team of each of our divisions. In the managing director's absence, Richard will now present his report which includes an overview of our ongoing businesses.

Danny Herceg
Non-Executive Director, CMI Limited

Chief Operating Officer's Address

Good morning fellow shareholders,

Thank you for attending the CMI Annual General Meeting today. Unfortunately, neither Colin Ryan (the Chairman) nor Ray Catelan (the Managing Director) could make the meeting today. My name is Richard Catelan. I am the COO of CMI Limited and I will be giving an address in place of the Managing Director today.

The 2008 year saw significant change take place in the company including the sale of the various engineering divisions and the impairment of Capitalcorp. In conjunction with an overview of the operational results for the 2008 year, I would also like to provide you with a review of a number of other issues. Unfortunately the global financial crisis continues to deepen and there would seem to be little doubt that it will continue through the current 2009 financial year. The financial crisis poses significant risk to the operational profits of the group.

Class "A" Share – Selective Capital Reduction

In recent times, the Board has received requests from shareholders to act to arrest the declining share prices of both the Ordinary and Class A Shares and to address the illiquidity of both share classes. The recently announced selective capital reduction of Class A Shares was, in the Board's opinion, a fair deal for the company, the Class A Shareholders and the Ordinary Shareholders. The Board subsequently decided that it was prudent to cancel the selective capital reduction due to the continued uncertainty in the financial markets as it was going to be funded primarily by a debt facility.

Discontinued Divisions

During the year the company disposed of several engineering businesses in a sale to the previous Managing Director. Many of these businesses are automotive supply related and the Board consider that a good result was achieved under this transaction for the CMI Limited shareholders.

CMI Electrical Result

The CMI Electrical division recorded full year revenue of \$51.901m which was an increase of 5.3% on last year and a net profit before tax of \$14.863m which is marginally less than the previous year.

The CMI Electrical division continues to produce solid results however is expected to suffer softening demand from most market sectors that it services but in particular, mining and retail.

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TJM Products Result

The TJM Products division recorded full year revenue of \$44.807m which was an increase of 8.5% on last year and a net profit before tax of \$1.453m which is marginally less than the previous year.

The TJM Products division is expected to suffer from a number of issues facing the economy including decreased discretionary spending and reductions in original equipment product orders as a result of lower demand for new cars. TJM continue to focus on reviewing internal management systems and revitalising products offered to the market.

Capitalcorp Finance & Leasing Result

Capitalcorp Finance & Leasing recorded full year revenue of \$22.399m which was a decrease of 14.6% on last year and a net loss before tax of \$18.825m. This result was primarily due to the impairment of \$16.4m coupled with a trading loss of \$2.4m.

The Capitalcorp finance division suffers from several issues in the finance industry including the retraction from the market by several financiers, reduced appetite for lending from the remaining financiers and growing pressure on the motor vehicle market in Australia due to plummeting demand for cars as evidenced by several marques halting production of new cars.

CMI have recently announced that the controlling interest in Capitalcorp finance division has been sold. CMI have maintained a 49% interest in the company for the benefit of CMI shareholders should the company survive in the medium term.

CMI Consolidated Result (continuing divisions only - CMI Electrical & TJM Products)

CMI Limited recorded full year revenue of \$97.067m which was an increase of 7.3% on last year and a net profit after tax of \$9.972m which was 1.4% less than the same divisions in the previous year.

In closing, we thank you for taking the time to attend the Annual General Meeting and invite you to ask any questions you might have.

Thank you

Richard Catelan
Chief Operating Officer, CMI Limited

I will now hand you back to the Chairman who will deal with the formal business of the Annual General Meeting.

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Annual Report and Notice of Meeting

We now move to the first item of Ordinary Business.

A copy of the Company's Annual Report for the year ended 30 June 2008 was forwarded to those shareholders requesting a copy and the Notice of this Meeting was forwarded to the Shareholders some weeks ago. With your consent I will take the annual report as read and received.

Could someone kindly move.

Seconder

Those in Favour	Against
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I now ask if anyone has any questions relating to the Consolidated Financial Statements of the Company, the Directors' Report, the Directors' Declaration and the Independent Audit Report for the year ended 30 June 2008.

There have been no written questions received for the auditor. However, any shareholder will be allowed the reasonable opportunity to ask questions of the auditor.

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Resolution One – Remuneration Report

A section of the Directors' Report is specifically dedicated to the disclosure of information about the remuneration of directors and the seven most highly remunerated executives ('**remuneration report**'). The *Corporations Act 2001* requires listed companies to put the remuneration report to a vote by shareholders for its adoption.

Proxies

Proxies have been received for 20,645,466 shares from 263 shareholders representing 61.17% of the Company's issued voting capital.

Number of Proxy Holders	Number of Proxies	Votes For	Votes Against	At Discretion	Abstentions
263	20,645,466	14,101,793	4,136,386	1,758,633	648,654
		68.30%	20.04%	8.52%	3.14%

Could someone please move:

'That the section of the Directors' Report dealing with the remuneration of the Company's Directors and the 7 most highly remunerated executives be adopted.'

Will someone please second this motion.

The meeting is now open for discussion on the motion and shareholders may ask questions or make comments on the remuneration report.

Thank you. I will now put the motion. All those in favour, against....

Those in Favour

Against

That motion has been...

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Resolution Two - Election of Director – Mr Richard Catelan

I move to the second item of Ordinary Business which is detailed as Resolution 2 of the Notice of Annual General Meeting.

This item relates to election of Mr Richard Catelan as a director of the Company in accordance with rule 13.2 of the Company's constitution.

Proxies

Proxies have been received for 20,645,466 shares from 263 shareholders representing 61.17% of the Company's issued voting capital.

Number of Proxy Holders	Number of Proxies	Votes For	Votes Against	At Discretion	Abstentions
263	20,645,466	12,863,140	6,190,846	1,548,645	42,835
		62.30%	29.99%	7.50%	0.21%

Could someone please move:

'That Richard Catelan, who was appointed to the Board following the last annual general meeting be elected as a Director of the Company in accordance with rule 13.2 of the Company's constitution.'

Will someone please second this motion.

The meeting is now open for discussion on the motion and shareholders may ask questions or make comments on the election of Mr Richard Catelan.

Thank you. I will now put the motion. All those in favour, against....

Those in Favour **Against**

That motion has been...

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Resolution Three – Re-Election of Director – Danny Herceg

This item relates to my re-election as a director of the Company. I'll hand the Chair over to Mr Richard Catelan while this resolution is discussed.

Danny Herceg is a Director retiring by rotation in accordance with rule 16.1 of the Company's constitution, who seeks re-election.

Proxies

Proxies have been received for 20,645,466 shares from 263 shareholders representing 61.17% of the Company's issued voting capital.

Number of Proxy Holders	Number of Proxies	Votes For	Votes Against	At Discretion	Abstentions
263	20,645,466	13,396,632	5,606,414	1,548,645	93,775
		64.89%	27.16%	7.50%	0.45%

Could someone please move:

'That Danny Herceg who retires in accordance with rule 16.1 of the Company's constitution and, being eligible, be re-elected as a Director of the Company.'

Will someone please second this motion.

The meeting is now open for discussion on the motion and shareholders may ask questions or make comments on the election of Mr Danny Herceg.

Thank you. I will now put the motion. All those in favour, against....

Those in Favour **Against**

That motion has been...

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General Business

General business

Does anybody wish to raise any item of general business which can be discussed properly here?

When general business ceases

Before closing the Meeting could someone move that pending notification to ASX and recording in the minutes of meeting of the Company of proxies votes as required by section 251AA that all proxies and voting papers be destroyed after 10 days.

Secunder?

Those in Favour

Against

I'll now declare the meeting closed. Thank you for attending.

Please feel free to join us for refreshments which are now being served.

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