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ASX ANNOUNCEMENT

CMI Limited (CMI) proposes a selective capital reduction

The board of CMI has resolved to undertake a selective capital reduction which will result in the buy-back of all 28,005,311 of its Class A shares held by its 1,715 Class A shareholders.

CMI intends to pay \$1.00 per class A share funded by debt provided by the company's usual bankers at commercial rates.

The price of \$1.00 per Class A share is a premium of 127.3% to the volume weighted average share price of 44 cents for the month of August.

The board has made this decision having regard to the interests of all of its shareholders, including:

- the need to simplify the capital structure of the company
- the apparent lack of liquidity in the market for Class A shareholders and
- the cost to the company of the Class A shares compared to the costs of fixed debt.

Meeting material will be despatched to shareholders this month, with a meeting to be held in October at which both Ordinary and Class A shareholders will be entitled to vote.

For further details, please contact:

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