

## HALF YEAR ASX RELEASE

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28<sup>th</sup> Feb 2005

Brisbane based CMI Limited today announced increased revenue and profit after tax for the six months to 31<sup>st</sup> December 2004.

Revenue increased from \$141M in the corresponding period last year to \$144M this year.

Profit after tax increased from \$5.054M in the first half of the 03/04 year to \$5.345M in the current year.

CMI reported that continued strong automotive volumes have had a positive impact on CMI's supply of components to Australia's automotive industry.

Additionally, CMI's Electrical components division reported strong revenue growth through increased distribution in Victoria and New Zealand.

Directors have declared an interim dividend of 6 cents per share fully franked for ordinary shareholders payable on 3<sup>rd</sup> May 2005. Record closing date for the dividend payment is 18<sup>th</sup> April 2005.

The key results for the half year are:-

- ✓ Sales Revenue up by 2% to \$144,460,795
- ✓ Earnings before Interest, Tax, Depreciation and Amortisation up 3% to \$13,387,851
- ✓ Profit after tax up 6% to \$5,345,371
- ✓ Cash flow from operations up 19% to \$6,951,328
- ✓ Net assets up 27% to \$86,396,211
- ✓ Basic earnings per share down 7.5% to 11.51¢ (this reflects the capital raised through the Share Purchase Plan and the issue of 7 million new shares).
- ✓ Net tangible assets up 48% to 74¢ per share
- ✓ Gearing down 25.1% to 60.5%

## Results Summary

	6 mths to 31.12.04	6 mths to 31.12.03	% Change
Total Revenue	\$144,460,795	\$141,554,043	+2%
EBITDA	\$13,387,851	\$13,050,797	+3%
Profit before Tax	\$7,863,668	\$7,815,171	+1%
Profit after Tax	\$5,345,371	\$5,054,239	+6%
Basic Earnings per Share	11.51¢	12.45¢	-7%
Ordinary Dividend (fully franked)	6.0¢	6.0¢	0%

The half year results are in line with expectations expressed to shareholders at the AGM in October 2004.

The outlook for the second half is somewhat subdued. Volumes remain solid but raw material price increases are relentless and the lag time in passing on any price increases is affecting operating margins. The appreciating A\$ has also made Asia more competitive.

CMI has a strategy in place to address this in-balance. We are actively sourcing product from China and Thailand and have an operation to supply wheel products from India.

The Capitalcorp business has had significant investment made as we transform this business into what we believe is a better business with the long-term in mind. Training and growing our branch network have been the centre of this investment as we introduce commercial bridging products through the 39 branches.

There are other opportunities under consideration and our view remains that Capitalcorp will bring superior returns for our shareholders.

For further information:

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