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ABN 40 113 329 016

26 February 2008

Company Announcements
Australian Stock Exchange Limited
Level 8, Exchange Plaza
2 The Esplanade
Perth WA 6000

Dear Sirs,

ANNOUNCEMENT – CMA Half-Year Report, 31 December 2007

We attach an Announcement for immediate release to the Market.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Patrick Raper', with a long horizontal flourish at the end.

**Patrick Raper
Company Secretary
CMA Corporation Limited**

Enc



Half Year Report
31 December 2007



CMA CORPORATION LIMITED

ABN 40 113 329 016

And Controlled Entities

Financial Statements

For the Half Year

From 1 July 2007 to 31 December 2007

CMA CORPORATION LIMITED – ABN 40 113 329 016
and Controlled Entities

APPENDIX 4D – HALF YEAR REPORT
RESULTS FOR ANNOUNCEMENT TO THE MARKET

1. Reporting Period

- The current reporting period is the six months from 1 July 2007 to 31 December 2007.
- The previous corresponding period is the six months from 1 July 2006 to 31 December 2006, except for Balance Sheet items, for which the applicable comparative date is the end of the immediately preceding annual reporting period, being 30 June 2007.
- The financial report has been prepared in accordance with AIFRS.
- The financial report has been prepared in Australian dollars.

2. Results for the Period

	2007	2006	Movement	Movement
	\$000	\$000	\$000	%
2.1 Revenue from ordinary activities	230,015	104,032	125,983	121.1%
2.2 Profit from ordinary activities after tax	7,449	2,878	4,571	158.8%
2.3 Net profit attributable to members	7,449	2,878	4,571	158.8%
	\$	\$		
2.4 Dividends				
Franked amount per security				
- Interim dividend	0.005	-		
- Final dividend	-	-		

No dividends have been paid by the Company during the current reporting period or the previous corresponding period.

The Directors have declared a fully franked interim dividend of 0.5 cents per issued ordinary share in relation to the half year ended 31 December 2007, payable on 30 April 2008.

- 2.5 The record date for determining entitlements will be 15 April 2008. There was no interim or final dividend paid in relation to the financial year ended 30 June 2007, and consequently a record date for determining entitlements is not applicable.

2.6 Comments on the Report

Please refer to the Review of Operations contained within the Directors' Report for commentary on the Economic Entity's activities and performance during the half year ended 31 December 2007.

3. Net Tangible Assets per Security

	Dec 2007	Dec 2006
Net tangible assets per security (cents per share)	21.7	13.0

**CMA CORPORATION LIMITED – ABN 40 113 329 016
and Controlled Entities**

**APPENDIX 4D – HALF YEAR REPORT
RESULTS FOR ANNOUNCEMENT TO THE MARKET**

4. Gain or Loss of Control over Entities

During the half year ended 31 December 2007 the Economic Entity gained control of the following companies:

Company	Date of Acquisition
CMA Recycling Victoria Pty Limited (formerly Universal Metals Pty Limited)	4 July 2007
Advanced Recycling Australasia Pty Limited	4 July 2007
CMA Peakmore Pte Limited	18 August 2007

Further acquisitions were made by the Economic Entity during and subsequent to the reporting period, as set out in Note 10 to the condensed financial report. However, those were acquisitions of businesses rather than purchases of companies.

5. Dividends

Details of dividends are set out in Note 3 to the condensed financial report.

6. Dividend or Distribution Reinvestment Plans

The Company does not have a dividend or distribution reinvestment plan in place at the date of this report, however the Directors have proposed that a dividend reinvestment plan be established prior to payment of the interim dividend. Further details of the dividend reinvestment plan will be announced to the market as soon as it is finalised.

7. Details of Associates and Joint Venture Entities

The Company owns 40% of the issued ordinary share capital of Purata Keuntungan Sdn Bhd, a company which was incorporated on 11 September 2007 as part of an agreement with Mr Su Wenwu. Purata Keuntungan Sdn Bhd is a mill residue trading and processing business located in Malaysia.

There were no interests in associates or joint venture entities at the prior comparative reporting date.

8. Foreign Entities

The accounting standards used in compiling the financial report are Australian Equivalents to International Financial Reporting Standards (AIFRS). The Economic Entity includes entities in New Zealand and Singapore; the financial information of the New Zealand and Singaporean subsidiaries included in the consolidated financial report reflects application of AIFRS and thus accounting treatment is consistent across the Economic Entity.

9. Dispute or Qualification arising from Review

No dispute or qualification has arisen from the review of the condensed financial report by the auditors of the Economic Entity.

The information in this report and the accompanying condensed financial report has been reviewed by the Economic Entity's auditors. No dispute or qualification has arisen from the review of the condensed financial report by the auditors of the Economic Entity.

CMA CORPORATION LIMITED – ABN 40 113 329 016
and Controlled Entities

DIRECTORS' REPORT

Your directors present their report on the Economic Entity for the half year ended 31 December 2007.

Directors

The names of directors in office at any time during or since the end of the half year are:

Alan Good	Non-Executive Independent Chairman	
Douglas Rowe	Managing Director	Appointed 4 July 2007
Peter Hatfull	Managing Director	Resigned 31 January 2008
Joseph Tong Hong Chung	Executive Director	
Robert Moltoni	Non-Executive Director	
John Crabb	Non-Executive Independent Director	Resigned 30 November 2007
Terry Woods	Non-Executive Director	Appointed 3 December 2007

Douglas Rowe assumed the position of Managing Director on 1 February 2008.

Review of Operations

Group Operations

CMA has undergone major growth during the half year ended 31 December 2007, and this expansion has enabled the group to report its best interim result to date.

Several significant acquisitions have been completed, with good progress being made towards their full integration. The new branding CMA has adopted during the period reflects the consistent identity established across the whole group. A state based management structure has been implemented to improve monitoring of the wider network of sites, and systems and procedural changes are currently occurring to increase business support. Further integration and consolidation will continue over the next six to 12 months and is expected to result in additional efficiencies.

In December 2007, a placement was made Transpacific Industries Limited who has now become a substantial shareholder in CMA. This secures a strong trading relationship between the two companies, which have close strategic alignment, and provides additional sources of supply.

Transpacific has also contributed to the strength of CMA's Board of Directors with the election of Terry Woods in December 2007, following John Crabb's retirement at the last AGM. In January 2008 further changes to the Board occurred with the retirement of Peter Hatfull, whose successor as Managing Director is Doug Rowe.

CMA's development during the half year and subsequent period to date have provided the group with an expanded infrastructure which provides a sound platform for further increases in activity levels and higher earnings.

Recycling

The recycling division processes ferrous and non-ferrous metals for sale to both the Australian and international markets. A significant portion of sales are exports to Asia.

During the half year there has been strong growth in the division's throughput and sales revenues, aided by the acquisition of new businesses domestically and abroad. Activity levels at pre-existing recycling operations in Australia also increased, with total sales tonnages and revenues from these sites reaching new highs.

The acquisition of the Southern Recycling business was completed on 4 July 2007 and has contributed to the increased sales volumes and revenues for the half year, strengthening CMA's presence in the local market. It has also enabled the expanded group to access valuable additional sources of supply.

CMA has established its first operational site in the highly active Asian market, with its acquisition on 13 September 2007 of the Singapore-based Peakmore Enterprise business, which trades and processes secondary metals. Peakmore has been successfully integrated into the group and has delivered a substantial earnings contribution for the half year. Further expansion into Asia also occurred, with an investment made in a Malaysian joint venture entity which processes and exports mill residues.

Growth has also occurred in New Zealand, with higher exports driving an increase in sales levels. An additional metal recycling operation was purchased in late December, and subsequent to the end of the reporting period two trucking businesses were acquired, improving CMA's position in the competitive New Zealand market.

**CMA CORPORATION LIMITED – ABN 40 113 329 016
and Controlled Entities**

DIRECTORS' REPORT

The Melbourne Meretec plant was officially opened in September 2007 and the quality of output from initial production has exceeded expectations. Production volumes will be ramped up over the second half of the financial year and are planned to reach effective capacity by June 2008. On 31 January 2008, CMA completed its acquisition of a further Meretec plant in Chicago, USA, which provides the opportunity to further capitalise on the demand for innovative and responsible recycling processes.

Contracting

CMA's contracting division provides end-to-end services in demolition, remediation and hazardous waste removal, and has undertaken plant deconstruction on behalf of some of Australia's leading industrial companies.

The division has successfully completed several major projects during the half year, with further jobs currently in progress. The results of the division for the reporting period demonstrate improved project management and greater cost control.

The half year ended 31 December 2007 has not seen any further losses arise in relation to the highly challenging Port Hedland marine demolition project which has adversely impacted previous periods' results. Demobilisation has now occurred from this site, although negotiations regarding the final contract position are expected to continue for some time.

There is a consistent pipeline for future tenders by the division, with management confident of some significant wins.

After Balance Sheet Date Events

On 31 January 2008 Scrap Metal Recyclers Limited, a wholly owned subsidiary of CMA Corporation Limited, completed its acquisition of the business and assets of Bowman Bulk Freight Limited and the business and assets of M&H Contractors Limited, both of which are transportation businesses located in New Zealand.

On 31 January 2008 CMA Corporation Limited completed its acquisition of the Chicago based Meretec Steel Recycling Plant from Meretec Corporation, the US developer of metal recycling technology.

Further details of the acquisitions are available in Note 10 to this report.

The Directors have declared a fully franked interim dividend of 0.5 cents per issued ordinary share in relation to the half year ended 31 December 2007 (prior year interim dividend: Nil).

Rounding of Amounts

The amounts contained in the half year financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies.

Change of Name of Legal Entities

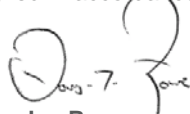
The following wholly owned subsidiaries of the Economic Entity had a change of name during the period:

- CMA Recycling Pty Limited (formerly known as CMA Metals (QLD) Pty Limited)
- CMA Recycling Victoria Pty Limited (formerly known as Universal Metals Pty Limited)
- CMA Contracting Pty Limited (formerly known as Moltoni Adams Group Pty Limited)
- CMA Recycling Australia Pty Limited (formerly known as CMA Metals Pty Limited)

Auditor's Declaration

The independence declaration obtained from our auditors, PKF, is set out on page 3.

Signed in accordance with a resolution of the Board of Directors.



Douglas Rowe
Managing Director

Dated this 26 February 2008

**CMA CORPORATION LIMITED – ABN 40 113 329 016
and Controlled Entities**

LEAD AUDITOR'S INDEPENDENCE DECLARATION



Chartered Accountants
& Business Advisers

Auditor's Independence Declaration

To the Directors of CMA Corporation Limited

As lead auditor for the review of CMA Corporation Limited for the half year ended 31 December 2007, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of CMA Corporation Limited and the entities it controlled during the half year.

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PKF

A handwritten signature in black ink, appearing to read 'AM'.

Arthur Milner
Partner

Sydney, 26 February 2008

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CMA CORPORATION LIMITED – ABN 40 113 329 016
and Controlled Entities

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2007

	Note	Economic Entity	
		2007	2006
		\$000	\$000
Revenue	2	228,550	103,913
Other income	2	115	119
Share of net profits of associates and joint ventures	2	1,350	-
Changes in inventories of finished goods and work in progress		12,973	1,479
Inventories used		(156,369)	(59,279)
Employee benefits expense		(20,997)	(11,486)
Contractors, consultants & professional fees		(6,383)	(5,483)
Equipment expense		(11,469)	(7,041)
Transport expense		(17,819)	(8,313)
Office and yard rent expense		(4,742)	(2,063)
Travel expense		(2,365)	(1,611)
Communications and IT expense		(1,874)	(512)
Insurance expense		(1,065)	(783)
Other general and admin expense		(1,470)	(725)
Depreciation and amortisation expense		(5,399)	(2,340)
Finance costs		(3,847)	(1,598)
Profit before income tax		9,189	4,277
Income tax expense		(1,740)	(1,399)
Profit for the period		7,449	2,878
Profit attributable to members of the parent entity		7,449	2,878
Basic earnings per share (cents per share)		2.3	2.0
Diluted earnings per share (cents per share)		2.3	2.0

The accompanying Notes form part of these Condensed Financial Statements

CMA CORPORATION LIMITED – ABN 40 113 329 016
and Controlled Entities

CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2007

	Note	Economic Entity	
		Dec 2007	Jun 2007
		\$000	\$000
ASSETS			
Current Assets			
Cash and cash equivalents	4	8,211	21,276
Trade and other receivables		63,184	32,543
Inventories		54,042	20,230
Other assets		2,983	2,083
Total Current Assets		<u>128,420</u>	<u>76,132</u>
Non-Current Assets			
Receivables		1,849	89
Financial assets	5	525	525
Investments accounted for using the equity method	6	1,350	-
Property plant and equipment		111,317	31,425
Deferred tax assets		2,838	1,482
Intangible assets	7	74,302	36,909
Total Non-Current Assets		<u>192,181</u>	<u>70,430</u>
TOTAL ASSETS		<u>320,601</u>	<u>146,562</u>
LIABILITIES			
Current Liabilities			
Trade and other payables		48,004	21,347
Short-term borrowings		56,944	5,978
Current tax liabilities		2,193	1,937
Short-term provisions		1,877	1,279
Other		1	21,265
Total Current Liabilities		<u>109,019</u>	<u>51,806</u>
Non-Current Liabilities			
Payables		334	1,097
Long-term borrowings		52,070	34,065
Deferred tax liabilities		917	895
Other long-term provisions		480	206
Total Non-Current Liabilities		<u>53,801</u>	<u>36,263</u>
TOTAL LIABILITIES		<u>162,820</u>	<u>88,069</u>
NET ASSETS		<u>157,781</u>	<u>58,493</u>
EQUITY			
Issued capital	8	140,293	48,420
Retained earnings		17,383	9,934
Other reserves		105	139
Parent Interest		<u>157,781</u>	<u>58,493</u>
TOTAL EQUITY		<u>157,781</u>	<u>58,493</u>

The accompanying Notes form part of these Condensed Financial Statements

CMA CORPORATION LIMITED – ABN 40 113 329 016
and Controlled Entities

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2007

Economic Entity	Ordinary Share Capital	Retained Earnings	Other Reserves	Total
	\$000	\$000	\$000	\$000
At 1 July 2006	42,282	3,417	(563)	45,136
Shares issued during the period	1,050	-	-	1,050
Costs associated with shares issued during the period	-	-	-	-
Dividends paid during the period	-	-	-	-
Profit attributable to members of parent entity	-	2,878	-	2,878
Exchange differences on translation of foreign operations	-	-	658	658
At 31 December 2006	<u>43,332</u>	<u>6,295</u>	<u>95</u>	<u>49,722</u>
At 1 July 2007	48,420	9,934	139	58,493
Shares issued during the period	93,389	-	-	93,389
Cost associated with shares issued during the period	(1,516)	-	-	(1,516)
Dividends paid during the period	-	-	-	-
Profit attributable to members of parent entity	-	7,449	-	7,449
Exchange differences on translation of foreign operations	-	-	(34)	(34)
At 31 December 2007	<u>140,293</u>	<u>17,383</u>	<u>105</u>	<u>157,781</u>

The accompanying Notes form part of these Condensed Financial Statements

CMA CORPORATION LIMITED – ABN 40 113 329 016
and Controlled Entities

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2007
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	Note	Economic Entity	
		Dec 2007	Dec 2006
		\$000	\$000
Cash flows from Operating Activities			
Receipts from customers		224,248	111,049
Payments to suppliers and employees		(223,619)	(104,452)
Interest received		113	82
Finance costs		(3,847)	(1,598)
Income tax paid		(1,265)	(52)
Net cash provided by / (used in) operating activities		(4,370)	5,029
Cash flows from Investing Activities			
Proceeds from sale of property, plant and equipment		118	234
Purchase of property, plant and equipment		(22,473)	(6,681)
Outlays in respect of acquisition of businesses and subsidiaries		(29,685)	(1,065)
Net cash (used in) investing activities		(52,040)	(7,512)
Cash flows from Financing Activities			
Proceeds from issue of shares		42,435	-
Outlays in respect of share issue		(1,983)	-
Proceeds from borrowings		21,465	13,675
Repayment of borrowings		(16,696)	(8,877)
Net cash provided by financing activities		45,221	4,798
Net increase / (decrease) in cash held		(11,189)	2,315
Cash at beginning of financial period		19,501	861
Cash acquired with subsidiary purchases		(14,278)	-
Cash at end of financial period	4	(5,966)	3,176

The accompanying Notes form part of these Condensed Financial Statements

CMA CORPORATION LIMITED – ABN 40 113 329 016
and Controlled Entities

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2007

Note 1: Basis of Preparation of the Half Year Financial Report

a. Basis of Accounting

The condensed half year financial report has been prepared on an accruals basis and is based on historical costs, modified when applicable by the revaluation of selected non current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The directors evaluate estimates and judgments incorporated into the half year financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Economic Entity.

For the purpose of preparing the condensed half year financial report, the half year has been treated as a discrete reporting period.

b. Statement of Compliance

The condensed half year financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standard AASB 134 "Interim Financial Reporting", Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

The condensed half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the economic entity as the full financial report.

The condensed half year financial report should be read in conjunction with the annual financial report of CMA Corporation Limited as at 30 June 2007. It is also recommended that the condensed half year financial report be considered together with any public announcements made by CMA Corporation Limited and its controlled entities during and subsequent to the half year ended 31 December 2007 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001* and the Listing Rules of the ASX.

c. Changes in Accounting Policy

There have not been any changes in accounting policies, estimation methods or measurement bases since the 30 June 2007 annual financial report. Accounting policies are applied consistently throughout the Economic Entity.

d. Comparative Figures

The previous corresponding financial period was the half year from 1 July 2006 to 31 December 2006.

Where necessary, comparatives have been reclassified and repositioned for consistency with current period disclosures.

CMA CORPORATION LIMITED – ABN 40 113 329 016
and Controlled Entities

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2007

	Dec 07	Dec 06
	\$000	\$000
Note 2: Profit from Ordinary Activities		
The following revenue and expense items are relevant in explaining the financial performance for the half year:		
Operating Activities		
Sale of goods and services	212,497	88,412
Contract revenue	16,053	15,501
Total revenues from operating activities	228,550	103,913
Non-operating Activities		
Interest received from other persons	113	82
Other revenue	11	53
Gain / (loss) on disposal of property, plant and equipment	(9)	(16)
Total revenues from non-operating activities	115	119
Share of net profits of associates and joint ventures	1,350	-
Total revenues from ordinary activities	230,015	104,032

Note 3: Dividends Paid and Proposed

Equity Dividends on Ordinary Shares

a. Dividends paid during the half year

No dividends have been paid by the Company during the half year ended 31 December 2007 (prior year interim period: Nil).

b. Dividends proposed

The directors have declared a fully franked interim dividend of 0.5 cents per issued ordinary share in relation to the half year ended 31 December 2007 (prior year interim dividend: Nil).

	Dec 07	Jun 07
	\$000	\$000
Note 4: Cash and Cash Equivalents		
Cash at bank and on hand	8,211	21,276

	Dec 07	Jun 07
	\$000	\$000
Reconciliation of Cash		
Cash at the end of the financial period as shown in the cash flow statement is reconciled to items in the Balance Sheet as follows:		
Cash and cash equivalents	8,211	21,276
Bank overdrafts	(14,177)	(1,775)
	(5,966)	19,501

**CMA CORPORATION LIMITED – ABN 40 113 329 016
and Controlled Entities**

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2007**

	Dec 07	Jun 07
	\$000	\$000
Note 5: Other Financial Assets (Non-Current)		
Unlisted investments, at cost		
Shares in other entities	525	525

Note 6: Investments Accounted for using the Equity Method

Investment in Joint Venture	1,350	-
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The Investment in Joint Venture represents the Company's ownership of 40% of the issued ordinary share capital of Purata Keuntungan Sdn Bhd, which was incorporated on 11 September 2007 as part of an agreement with Mr Su Wenwu. Purata Keuntungan Sdn Bhd is a mill residue trading and processing business located in Malaysia. The investment has been accounted for using the equity method.

Note 7: Intangible Assets

Goodwill

Balance at the beginning of the period	36,909	29,660
Additions in year – goodwill arising on acquisition of businesses and subsidiaries	36,215	7,249
Disposals	-	-
Impairment losses	-	-
Carrying amount at the end of the period	73,124	36,909

Licenses

Balance at the beginning of the period	-	-
Additions in year	1,178	-
Disposals	-	-
Impairment losses	-	-
Carrying amount at the end of the period	1,178	-
Total intangibles	74,302	36,909

During the period the Economic Entity acquired CMA Recycling Victoria Pty Limited (formerly Universal Metals Pty Limited). Included in the net assets acquired was a license to use certain intellectual property and know-how granted by Meretec Corporation associated with the Meretec Process™, for which Meretec Corporation owns the patent rights.

	Dec 07	Jun 07
	\$000	\$000
Note 8: Issued Capital		
Ordinary Shares		
Issued and fully paid	140,293	48,420

CMA CORPORATION LIMITED – ABN 40 113 329 016
and Controlled Entities

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2007

	Dec 07	Jun 07	Dec 07	Jun 07
	\$000	\$000	Shares	Shares
Movements in ordinary shares on issue				
At the beginning of the reporting period	48,420	43,333	154,513,105	145,688,750
Shares issued during the period				
- 22 February 2007	-	426	-	930,355
- 11 May 2007	-	4,578	-	7,894,000
- 4 July 2007	10a 59,110	-	162,744,961	-
- 13 September 2007	10b 4,638	-	9,464,624	-
- 25 October 2007	3,263	-	5,826,323	-
- 23 November 2007	11,070	-	22,848,095	-
- 5 December 2007	13,102	-	27,044,757	-
- 21 December 2007	10c 2,206	-	2,961,172	-
Less transaction costs	(1,516)	83	-	-
At the end of the reporting period	<u>140,293</u>	<u>48,420</u>	<u>385,403,037</u>	<u>154,513,105</u>

Note 9: Segment Reporting

Business Segments

The following table presents the revenue and profit information regarding business segments for the half year ended 31 December:

	Contract Services \$000	Metal Recycling \$000	Unallocated/ Elimination \$000	Total \$000
Dec 07				
Revenue				
Segment revenue	19,198	210,510	(3,409)	226,299
Other revenue	32	2,195	1,376	3,603
Interest revenue	5	90	18	113
Total revenue from ordinary activities	<u>19,235</u>	<u>212,795</u>	<u>(2,015)</u>	<u>230,015</u>
Result				
Segment result	1,625	12,935	(1,524)	13,036
Borrowing costs				<u>(3,847)</u>
Profit from ordinary activities before income tax expense				9,189
Income tax expense				<u>(1,740)</u>
Net profit				<u>7,449</u>
Dec 06				
Revenue				
Segment revenue	17,468	89,400	(2,955)	103,913
Other revenue	(73)	109	1	37
Interest revenue	-	-	82	82
Total revenue from ordinary activities	<u>17,395</u>	<u>89,509</u>	<u>(2,872)</u>	<u>104,032</u>

CMA CORPORATION LIMITED – ABN 40 113 329 016
and Controlled Entities

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2007

	Contract Services \$000	Metal Recycling \$000	Unallocated/ Elimination \$000	Total \$000
Dec 06				
Result				
Segment result	(31)	7,505	(1,599)	5,875
Borrowing costs	-	-	(1,598)	(1,598)
Profit from ordinary activities before income tax expense				4,277
Income tax expense				(1,399)
Net profit				2,878

Note 10: Change in Composition of Entity

a. Acquisition of Universal Metals Pty Limited and Advanced Recycling Australasia Pty Limited

On 4 July 2007, CMA Corporation Limited acquired 100% of the voting shares of Universal Metals Pty Limited and Advanced Recycling Australasia Pty Limited (collectively referred to as Southern Recycling). Southern Recycling is a metal recycling and processing business based in Melbourne, with operations across Australia. Subsequent to its acquisition by CMA Corporation Limited, Universal Metals Pty Limited changed its name to CMA Recycling Victoria Pty Limited.

In connection with the business combination, CMA Corporation Limited has paid \$47,031,000, comprising 46,875,000 issued ordinary shares in CMA Corporation Limited with a fair value of 47 cents each, and \$25 million in cash. The fair value of shares issued reflects the share price on the date of acquisition.

The acquired business has contributed revenues of \$64,812,000 and a net loss of \$782,000 to the Economic Entity during the period from 4 July 2007 to 31 December 2007.

Details of the fair value of the identifiable assets and liabilities as at the date of acquisition, and the goodwill acquired are as follows:

	\$000
Cash and cash equivalents	122
Receivables	8,702
Inventories	28,214
Prepayments	288
Financial assets	41
Property, plant and equipment	60,636
Deferred tax asset	346
Intangible assets	31
Payables and accruals	(13,364)
Overdraft	(14,565)
Borrowings	(47,787)
Provisions	(1,496)
Deferred tax liability	(5)
Fair value of net assets	21,163
Licenses	1,178
Goodwill arising on acquisition	25,595
Total	47,936

CMA CORPORATION LIMITED – ABN 40 113 329 016
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NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2007

The assets arising from the acquisition of Southern Recycling are recognised at fair values which are equal to their carrying value at acquisition date. The goodwill is attributable to the high forecast profitability of the acquired business.

	Dec 07 \$000
Purchase Consideration	
Ordinary shares issued	22,031
Cash consideration	25,000
Costs associated with the acquisition	905
Total consideration	47,936

The cash outflow on acquisition is as follows:

Net bank overdraft acquired with subsidiaries	14,443
Cash consideration	25,000
Costs associated with the acquisition	905
Net cash outflow	40,348

b. Acquisition of Business from Peakmore Enterprise Pte Limited

On 13 September 2007, CMA Peakmore Pte Limited, a wholly owned subsidiary of CMA Corporation Limited, acquired the assets and business of Peakmore Enterprise Pte Limited. Peakmore Enterprise Pte Limited is a secondary metal trading and processing business based in Singapore.

In connection with the business combination, CMA Peakmore Pte Limited has paid \$5,413,000 comprising 9,464,624 issued ordinary shares in CMA Corporation Limited with a fair value of 49 cents each and \$775,000 in cash. The fair value of shares issued reflects the share price on the date of acquisition. In addition, the vendors of Peakmore Enterprise Pte Limited will receive additional consideration up to S\$3 million, if the financial performance of the Singaporean business in the twelve month period ended 31 March 2008 exceeds a trigger of \$S1.7 million.

The acquired business has contributed revenues of \$14,314,000 and a net profit of \$4,591,000 to the Economic Entity during the period from 13 September 2007 to 31 December 2007. The consolidated net profit and consolidated revenues that would have resulted had the acquisition been made on 1 July 2007 have not been disclosed as their estimation is unreliable due to the impact of certain expenses of a private company nature during the period prior to acquisition.

Details of the fair value of the identifiable assets and liabilities as at the date of acquisition, and the goodwill acquired are as follows:

	\$000
Cash and cash equivalents	164
Receivables	3,211
Inventories	4,446
Prepayments	39
Property, plant and equipment	442
Payables and accruals	(2,315)
Borrowings	(4,011)
Provision for taxation	(381)
Other provisions	(56)

CMA CORPORATION LIMITED – ABN 40 113 329 016
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NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2007

Deferred tax liability	(62)
Foreign exchange difference	(123)
Fair value of net assets	1,354
Goodwill arising on acquisition	6,460
Total	7,814

The assets arising from the acquisition are recognised at fair values which are equal to their carrying value at acquisition date. The goodwill is attributable to the high profitability of the acquired business.

	Dec 07
	\$000
Purchase Consideration	
Ordinary shares issued	7,003
Cash consideration	775
Costs associated with the acquisition	36
Total consideration	7,814

The cash outflow on acquisition is as follows:

Net cash acquired with business	(164)
Cash consideration	775
Costs associated with the acquisition	36
Net cash outflow	647

c. Acquisition of Photographic Waste Management

On 30 September 2007, CMA Recycling Pty Limited (formerly CMA Metals (Qld) Pty Limited), a wholly owned subsidiary of CMA Corporation Limited, acquired the assets and business of Photographic Waste Management. Photographic Waste Management is a non-ferrous metal recycling business located in Perth, Western Australia.

In connection with the business combination, CMA Recycling Pty Limited has paid \$300,000 in cash.

The acquired business has contributed revenues of \$175,000 and a net loss of \$42,000 to the Economic Entity during the period from 30 September 2007 to 31 December 2007. The consolidated net profit and consolidated revenues that would have resulted had the acquisition been made on 1 July 2007 have not been disclosed as their estimation is unreliable due to the impact of certain expenses of a private company nature during the period prior to acquisition.

Details of the fair value of the identifiable assets and liabilities as at the date of acquisition, and the goodwill acquired are as follows:

	\$000
Plant and equipment	100
Fair value of net assets	100
Goodwill arising on acquisition	200
Total	300

The assets arising from the acquisition are recognised at fair values which are equal to their carrying value at acquisition date. The goodwill is attributable to the high forecast profitability of the acquired business.

**CMA CORPORATION LIMITED – ABN 40 113 329 016
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**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2007**

	Dec 07
	\$000
Purchase Consideration	
Cash consideration	300
Total consideration	300
The cash outflow on acquisition is as follows:	
Cash consideration	300
Net cash outflow	300

d. Acquisition of Business from Cableco Metal Industries Limited

On 21 December 2007, Scrap Metal Recyclers (Waikato) Limited, a wholly owned subsidiary of CMA Corporation Limited, acquired the business and assets of Cableco Metal Industries Limited. Cableco Metal Industries Limited is a scrap metal recycling business located in New Zealand.

In connection with the business combination, Scrap Metal Recyclers (Waikato) Limited has paid \$4,853,000, comprising 2,961,172 issued ordinary shares in CMA Corporation Limited with a fair value of 74.5 cents each, and cash payments totalling \$2,647,000. The fair value of shares issued reflects the share price on the date of the acquisition.

The acquired business did not contribute any revenues or profit to the Economic Entity due to it being acquired shortly before the period end during which time the business was in operational shutdown for the holiday period. The consolidated net profit and consolidated revenues that would have resulted had the acquisition been made on 1 July 2007 have not been disclosed as their estimation is unreliable due to the impact of certain expenses of a private company nature during the period prior to acquisition.

Details of the fair value of the identifiable assets and liabilities as at the date of acquisition, and the goodwill acquired are as follows:

	\$000
Property, plant and equipment	1,767
Foreign exchange difference	(7)
Fair value of net assets	1,760
Goodwill arising on acquisition	3,116
Total	4,876

The assets arising from the acquisition are recognised at fair values which are equal to their carrying value at acquisition date. The goodwill is attributable to the high forecast profitability of the acquired business.

	Dec 07
	\$000
Purchase Consideration	
Ordinary shares issued	2,206
Cash consideration	2,647
Costs associated with the acquisition	23
Total consideration	4,876

**CMA CORPORATION LIMITED – ABN 40 113 329 016
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**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2007**

The cash outflow on acquisition is as follows:

Cash consideration	2,647
Costs associated with the acquisition	23
Net cash outflow	<u>2,670</u>

Acquisitions Post Year End

e. Acquisition of business from Bowman Bulk Freight Limited

On 4 February 2008, Scrap Metal Recyclers Limited, a wholly owned subsidiary of CMA Corporation Limited, acquired the business and assets of Bowman Bulk Freight Limited. Bowman Bulk Freight Limited is a scrap metal transportation business located in New Zealand. The effective date of acquisition was 31 January 2008.

In connection with the business combination, Scrap Metal Recyclers Limited has paid \$2,276,000 comprising 611,920 issued ordinary shares in CMA Corporation Limited with a fair value of 64 cents each, and cash payments totalling \$1,884,000. The fair value of shares issued reflects the share price on the date of settlement, 4 February 2008.

Details of the fair value of the identifiable assets and liabilities as at the date of acquisition, and the goodwill acquired are as follows:

	\$000
Motor vehicles	1,568
Fair value of net assets	1,568
Goodwill arising on acquisition	729
Total	<u>2,297</u>

The assets arising from the acquisition are recognised at fair values which are equal to their carrying value at acquisition date. The goodwill is attributable to the high profitability of the acquired business.

	\$000
Purchase Consideration	
Ordinary shares issued	392
Cash consideration	394
Liabilities extinguished	1,490
Costs associated with the acquisition	21
Total consideration	<u>2,297</u>

The cash outflow on acquisition is as follows:

Cash consideration	394
Liabilities extinguished	1,490
Costs associated with the acquisition	21
Net cash outflow	<u>1,905</u>

f. Acquisition of business from M & H Contractors Limited

On 31 January 2008, Scrap Metal Recyclers Limited, a wholly owned subsidiary of CMA Corporation Limited, acquired the business and assets of the Bin Service and Bulk Scrap Transport divisions of M & H Contractors Limited. M & H Contractors Limited is a transportation business located in New Zealand.

In connection with the business combination, Scrap Metal Recyclers Limited has paid \$1,051,000 in cash.

CMA CORPORATION LIMITED – ABN 40 113 329 016
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NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2007

Details of the fair value of the identifiable assets and liabilities as at the date of acquisition, and the goodwill acquired are as follows:

	\$000
Motor vehicles	648
Fair value of net assets	648
Goodwill arising on acquisition	415
Total	1,063

The assets arising from the acquisition are recognised at fair values which are equal to their carrying value at acquisition date. The goodwill is attributable to the high profitability of the acquired business.

Dec 07

\$000

Purchase Consideration

Cash consideration	1,051
Costs associated with the acquisition	12
Total consideration	1,063

The cash outflow on acquisition is as follows:

Cash consideration	1,051
Costs associated with the acquisition	12
Net cash outflow	1,063

g. Acquisition of Business from Meretec Corporation

On 8 February 2008 CMA Corporation Limited acquired the business and assets of Meretec Corporation. Meretec Corporation is engaged in the business of developing proprietary commercially viable methods of removing and recovering zinc coatings from galvanized scrap metal, and is based in Chicago.

In connection with the business combination, CMA Corporation Limited has paid \$6,938,000 comprising 11,012,266 issued ordinary shares in CMA Corporation Limited with a fair value of 63 cents each. The fair value of shares issued reflects the share price on the date of settlement.

Details of the fair value of the identifiable assets and liabilities as at the date of acquisition, and the goodwill acquired are as follows:

	\$000
Fixed assets	7,171
Fair value of net assets	7,171
Discount on acquisition	(175)
Total	6,996

The assets arising from the acquisition are recognised at fair values which are equal to their carrying value at acquisition date. The discount on acquisition is attributable to a fall in the share price of CMA Corporation Limited between the date the sale was agreed and the date of settlement.

**CMA CORPORATION LIMITED – ABN 40 113 329 016
and Controlled Entities**

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2007**

	Dec 07
	\$000
Purchase Consideration	
Ordinary shares issued	6,938
Costs associated with the acquisition	58
Total consideration	6,996
The cash outflow on acquisition is as follows:	
Costs associated with the acquisition	58
Net cash outflow	58

Note 11: Contingent Liabilities

Estimates of the potential financial effect of contingent liabilities, that may become payable:

a. Third Party Guarantees Provided by the Economic Entity

The Economic Entity has provided guarantees to third parties in relation to the performance and obligations of entities in the Economic Entity in relation to banking facilities, approved deeds and contracts, and property lease rentals.

The guarantees are for the terms of the facilities, deeds and contracts and leases.

The periods covered range from one to approximately three years.

	Dec 07	Jun 07
	\$000	\$000
	2,546	2,410
	2,546	2,410

b. Related Party Guarantees provided by the Economic Entity

Cross guarantees have been provided between the Company and its wholly owned subsidiaries in Australia in relation to the banking facilities of each entity.

No deficiency of net assets existed in the controlled entities at 31 December 2007.

Note 12: Events Subsequent to Reporting Date

a. New Companies Incorporated

The Economic Entity gained control of the following US companies which were incorporated on 16 January 2008:

- CMA USA Recycling Corporation Limited
- CMA Recycling Corporation Limited
- CMA Property Corporation Limited

b. Acquisition of Business from M & H Contractors Limited

On 31 January 2008, Scrap Metal Recyclers Limited, a wholly owned subsidiary of CMA Corporation Limited, acquired the business and assets of the Bin Service and Bulk Scrap Transport divisions of M & H Contractors Limited. M & H Contractors Limited is a transportation business located in New Zealand. In connection with the business combination, Scrap Metal Recyclers Limited has paid \$1,051,000 in cash.

**CMA CORPORATION LIMITED – ABN 40 113 329 016
and Controlled Entities**

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2007

c. Acquisition of Business from Bowman Bulk Freight Limited

On 4 February 2008, Scrap Metal Recyclers Limited, a wholly owned subsidiary of CMA Corporation Limited, acquired the business and assets of Bowman Bulk Freight Limited. Bowman Bulk Freight Limited is a transportation business located in New Zealand.

In connection with the business combination, Scrap Metal Recyclers Limited has paid \$2,276,000, comprising 611,920 issued ordinary shares in CMA Corporation Limited with a fair value of 64 cents each, and cash payments totalling \$1,884,000. The fair value of shares issued reflects the share price on the date of the acquisition.

d. Acquisition of Business from Meretec Corporation

On 8 February 2008 CMA Corporation Limited acquired the business and assets of Meretec Corporation. Meretec Corporation is engaged in the business of developing proprietary commercially viable methods of removing and recovering zinc coatings from galvanized scrap metal, and is based in Chicago.

In connection with the acquisition, CMA Corporation Limited has paid \$6,938,000 comprising 11,012,266 issued ordinary shares in CMA Corporation Limited with a fair value of 63 cents each. The fair value of shares issued reflects the share price on the date of settlement.

e. Change in Primary Australian Banking Provider

The Economic Entity has negotiated new banking facilities with ANZ Bank for all entities in Australia, and with Bank of New Zealand for all entities in New Zealand. The new facilities will replace the current arrangements with Commonwealth Bank of Australia. Commonwealth Bank of Australia will continue to provide certain asset finance facilities to the Economic Entity.

f. Issue of Shares to Employees

On 7 February 2008, CMA Corporation Limited issued 490,410 ordinary shares to certain eligible employees, including the outgoing Managing Director and his Direct Reports.

g. Interim Dividend Declared

The directors have declared a fully franked interim dividend of 0.5 cents per issued ordinary share in relation to the half year ended 31 December 2007 (prior year interim dividend: Nil).

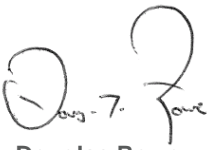
**CMA CORPORATION LIMITED – ABN 40 113 329 016
and Controlled Entities**

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 1 to 19:
 - a. comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations; and
 - b. give a true and fair view of the economic entity's financial position as at 31 December 2007 and of its performance for the half year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Handwritten signature of Douglas Rowe in black ink, appearing as 'Douglas Rowe'.

Douglas Rowe
Managing Director

Dated this 26 February 2008

**CMA CORPORATION LIMITED – ABN 40 113 329 016
and Controlled Entities**

INDEPENDENT REVIEW REPORT TO THE MEMBERS OF CMA CORPORATION LIMITED



Chartered Accountants
& Business Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of CMA Corporation Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of CMA Corporation Limited, which comprises the condensed consolidated balance sheet as at 31 December 2007, and the condensed consolidated income statement, condensed consolidated statement of changes in equity and condensed consolidated cash flow statement for the half-year ended on that date, a statement accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at 31 December 2007 or from time to time during the half year ended on that date.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the disclosing entity's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of CMA Corporation Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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**CMA CORPORATION LIMITED – ABN 40 113 329 016
and Controlled Entities**

INDEPENDENT REVIEW REPORT TO THE MEMBERS OF CMA CORPORATION LIMITED



Chartered Accountants
& Business Advisers

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of CMA Corporation Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

A handwritten signature in black ink that reads 'PKF'.

PKF

A handwritten signature in black ink, appearing to be 'AM' with a flourish.

Arthur Milner
Partner

Sydney, 26 February 2008

