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26 February 2008

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

Dear Sirs,

ANNOUNCEMENT – CMA Delivers Solid First Half Performance, Declares Interim Dividend

We attach an Announcement for immediate release to the Market.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Patrick Raper', written in a cursive style.

**Patrick Raper
Company Secretary
CMA Corporation Ltd**

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26 February 2008

CMA Delivers Solid First Half Performance, Declares Interim Dividend

Interim Highlights

- Revenue up 121% to \$230 million
- EBITDA up 124% to \$18.4 million
- Net profit up 159% to \$7.4 million
- Earnings per share up 13% to 2.3 cents
- Interim dividend of 0.5 cents per share fully franked
- Sales tonnes reach new six month highs
- Substantial growth in activity levels across the recycling business
- Profit growth exceeds revenue growth
- Expanded presence in Australia and New Zealand
- Successful expansion into Asia and new business acquired in the US

Integrated recycling group CMA Corporation Limited (ASX: CMV) today announced a \$7.4 million net profit for the half year ended 31 December 2007, a 159% increase on the 2006 interim result.

Revenue for the half year rose by 121% to \$230 million, while there was a 124% increase in EBITDA to \$18.4 million, indicating an improvement in profit margins.

CMA Managing Director Doug Rowe said that the half year result was very satisfactory and demonstrated the strong market position of the expanded group.

“The group’s broader presence across Australia, New Zealand and now in Asia, has delivered a strong profit result for the first half. Combined with the new businesses that have come on board in January, CMA has a solid infrastructure base to support continued growth in revenues and earnings,” he said.

Based on the financial performance of the group, the Board of Directors has declared an interim dividend of 0.5 cents per share. A dividend reinvestment plan is currently being developed, details of which will be released once finalised and prior to payment of the interim dividend which is expected to occur in April 2008.

Mr Rowe said the Board was pleased to be able to provide shareholders with a direct return on their investment.

“CMA has achieved a significant improvement in its financial performance and the Board is excited to declare the company’s first ever interim dividend as part of its long term strategy of rewarding shareholders and building returns,” he said.

The first half of FY08 has seen CMA continue its expansion strategy, with 5 new businesses joining the group:

- Melbourne-based Southern Recycling, with a network of Australian recycling sites, acquired in July 2007;
- Singapore-based Peakmore Enterprise, acquired in September 2007;
- Malaysian-based joint venture entity Purata Keuntungan, established in September 2007;
- Perth-based Photographic Waste Management, acquired in September 2007; and
- New Zealand-based Cableco Metal Industries, acquired in late December 2007.

The interim results do not include the Chicago Meretec plant, acquired by CMA on 31 January 2008 and anticipated to contribute to group earnings in FY09.



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The recycling operations purchased from Southern Recycling in July 2007 have provided a major boost to CMA's domestic market presence, along with access to key sources of supply. The Melbourne Meretec plant was officially opened in late September 2007, with initial production runs delivering a high quality product. It is anticipated the plant will reach commercial capacity by the end of FY08.

The new operations in Singapore and Malaysia have also contributed strongly to the company's interim result and have further upward potential, establishing a foothold for CMA in the growing Asian recycling market.

Mr Rowe said that CMA's move towards adding increased value across the recycling loop offers the potential for greater trading margins.

"By harnessing innovative recycling processes we can improve the profitability of our sales, as well as generating significant energy savings," he said.

"Processing technologies enable us to reduce wastage and landfill while extracting valuable by-products for sale, and demonstrate CMA's commitment to responsible recycling practices."

A major contributor to the improved profit levels for the half year to 31 December 2007 was the significant increase in throughput across the company's recycling sites in Australia and abroad. Half year sales volumes comprised 389,599 tonnes of ferrous stock (1H07: 131,226 tonnes) and 30,438 tonnes of non-ferrous stock (1H07: 14,039 tonnes).

The increase in sales volumes was generated by growth in the company's existing businesses, as well as the new acquisitions made during the half year, with all regions reporting higher activity levels. There was also an improvement in the profitability of the company's contracting business.

CMA's increased scale confers a number of operational benefits, including greater purchasing power and improved economies of scale. This is expected to contribute to further efficiencies as integration and consolidation of acquired businesses continue over the next 6 to 12 months.

"The recent growth transforms CMA into a more competitive and sophisticated company with a strong position as an emerging force in responsible recycling," said Mr Rowe.

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For more information please contact:

Doug Rowe

CMA Corporation Limited

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