



CMA Corporation Ltd
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www.cmacorp.net
ABN 40 113 329 016

28 August 2008

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

Dear Sirs,

ANNOUNCEMENT: FY08 Results and Preliminary Final Report

We attach an Announcement for immediate release to the Market.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'T. Schmitt', written over a horizontal line.

**Trevor Schmitt
Company Secretary
CMA Corporation Ltd**

Encs



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28 August 2008

CMA announces record profit result, expects continued profit growth in FY09

Highlights

- NPAT up 177% to \$18.1 million
- Revenue up 112% to \$503.3 million
- EBITDA up 144% to \$44.1 million
- Earnings per share up 11% to 5 cents per share
- Final dividend proposed of 0.005 cps fully franked
- Strong metal recycling trading activity across all countries in the CMA Group
- Economies of scale and integration benefits of acquisitions being realised
- Improving margins through innovation in value adding metal recycling processes
- Operating platform has been set for continued revenue and earnings growth in FY09

Metal Recycling group CMA Corporation Limited (ASX: CMV) today announced a net profit after tax of \$18.1 million for the 12 months to 30 June 2008, a rise of 177% on the previous year. This is after taking a non tax effected interest charge of \$2.4 million which reflects the time value discount until expected settlement in relation to a claim of \$20.4 million due from John Holland Limited, in respect of the Port Hedland Contract which is complete.

CMA Corporation Limited has taken advice and considers that its claim against John Holland of \$20.4 million, before the time value adjustment, has a proper legal basis and is recoverable. Whereas the counterclaim by John Holland of \$16.5 million is presently unclear and unsubstantiated and CMA Corporation Limited considers it does not have merit.

Revenue for the group rose by 112% to \$503.3 million and EBITDA was up 144% at \$44.1 million.

The basic earnings per share increased by 11% to 5.0 cents, and the board has proposed a final dividend of 0.005 cents per share fully franked, bringing the total dividend for the year to 0.01 cents per share. The final dividend will have a record date of 15 October 2008 and be paid on 31 October 2008.

CMA's higher group profit in the 2008 financial year was driven by the Company's growing market position across Australia and New Zealand, as well as the entry into new markets in Singapore, Malaysia and the USA.

CMA Managing Director Doug Rowe said the 2008 financial year had been an important year for CMA, where by the Group had consolidated its position as Australia's third largest metal recycling group.

"We have made a number of important acquisitions this year which have significantly broadened our operations and moved our business to a new level," said Mr Rowe.



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“With operations throughout Australia, New Zealand and now a considerable presence in Asia we believe we have established a solid infrastructure base to support continued growth in revenues and earnings.”

CMA’s metal recycling business performed particularly well during the year, contributing \$471.3 million or 94% of group revenue up 133% from last year.

For the year, CMA sold 748,767 tonnes of ferrous scrap (2007: 294,789 tonnes) and 62,119 tonnes of non-ferrous scrap (2007: 30,924 tonnes), being an increase of 154% and 101% respectively.

Through the 2008 year, CMA acquired 10 metals recycling businesses across Australia, New Zealand, Asia and the USA (See Appendix 1).

In Australia, the recycling operations purchased from Southern Recycling (completed July 2007) have significantly expanded CMA’s local recycling network and processing capabilities.

In New Zealand, CMA acquired 5 businesses the most significant of which was Cableco Metal Industries, a company with 30 years experience in the industry and an established long-term client base.

The Company also established a foothold in the growing Asian recycling market with acquisitions in Singapore and Malaysia. The new businesses are already having a positive impact on earnings and are expected to add further value to the group in 2009.

“We have been and will continue to be very selective in our approach to acquisitions, considering opportunities that will provide CMA with new clients, a foothold in new markets and the potential to generate value for the Group,” said Mr Rowe.

“The businesses acquired during the year are currently being integrated and we look forward to substantial contributions from these operations in the current year.”

During the year, the company made its first foray into the US market through the acquisition of the Meretec Steel Recycling Plant in Chicago.

Post balance date, the company also purchased the assets of the plant’s UK-based parent company Meretec Limited and of its US-based subsidiary Meretec Corporation.

CMA’s demolition and contracting arm performed in line with expectations contributing \$32 million revenue which makes up 6% of the group’s revenue, compared to 17% last year. CMA is expecting a stronger performance this coming year with two large metal niche demolition contracts which are likely to total over 40,000 tonnes of steel for recycling.

A major highlight for the company during the year was the significant investment secured from waste management company Transpacific Industries Group Limited (ASX: TPI).



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TPI became a strategic investor in December 2007 after it subscribed for 49.8 million shares in a placement, giving it a 13.1% stake in the expanded capital of CMA.

TPI has since become a key customer of CMA and it is expected that further synergies and benefits will be captured from this relationship in the future.

Looking forward, Mr Rowe said the company would pursue a mixed strategy of organic and acquisitive growth in FY09, to leverage our network and infrastructure base.

“In addition, as we continue to integrate our newly acquired assets, we expect to realise significant scale benefits with real efficiencies and synergies across the expanded group.

“With strong trading conditions in our markets, we are forecasting growth to continue in FY09 with NPAT expected to increase by 25 to 30%.”

CMA will hold its Annual General Meeting at the Museum of Sydney on 24 November 2008.

–ends–

For more information please contact:

Katherine Knox, Porter Novelli – 08 9386 1233
Doug Rowe, Managing Director, CMA – 02 9200 3509
Trevor Schmitt, CFO, CMA – 02 9200 3510

Appendix 1 – CMA Acquisitions during FY2008

Australia

- Melbourne-based Universal Metals Pty Limited and Advanced Recycling Australasia Pty Ltd (collectively referred to as Southern Recycling), acquired in July 2007
- Perth-based Photographic Waste Management, acquired in September 2007.

New Zealand

- Cableco Metal Industries Limited, acquired in December 2007
- M&H Contractors Limited, acquired in January 2008
- Bowman Bulk Freight Ltd, acquired in February 2008
- Steel Can Recycling Limited, acquired in February 2008
- Bay Scrap Metal, acquired in April 2008.

Asia

- Singaporean based Peakmore Enterprise Pte Ltd, acquired in September 2007
- Malaysian-based Purata Keuntungan Sdn Bhd, firstly acquiring a 40% interest and then the remaining 60% in May 2008.

United States of America

- Chicago-based Meretec Corporation, acquired in February 2008.

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APPENDIX 4E – PRELIMINARY FINAL REPORT RESULTS FOR ANNOUNCEMENT TO THE MARKET

1. Reporting Period

- The current reporting period is the financial year from 1 July 2007 to 30 June 2008.
- The prior comparative reporting period is the financial year from 1 July 2006 to 30 June 2007.
- The financial reports for the current and prior financial years have been prepared in accordance with AIFRS.
- The financial reports are prepared in Australian dollars.

2. Results for the Period

	2008	2007	Movement	Movement
	\$000	\$000	\$000	%
2.1 Revenue from ordinary activities	503,280	237,287	265,993	112%
2.2 Profit from ordinary activities after tax	18,076	6,517	11,559	177%
2.3 Net profit attributable to members	18,076	6,517	11,559	177%
	\$	\$		
2.4 Dividends				
Franked amount per security				
- Interim dividend	0.005	-		
- Final dividend	0.005			

The Directors have declared a fully franked final dividend of 0.5 cents per issued ordinary share in relation to the full year ended 30 June 2008, payable on 31 October 2008. This matches the fully franked interim dividend of 0.5 cents per issued ordinary share in relation to the half year ended 31 December 2007, which was paid on 30 April 2008.

- 2.5 The record date for determining entitlements will be 15 October 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 entitlement is not applicable.

- 2.6 Comments on the Report

Review of Operations

Group Operations

CMA has undergone major growth during the past financial year, and this expansion has enabled the group to report a record profit result for the year ending 30 June 2008.

The CMA group has made a number of important acquisitions during the past year which have broadened

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APPENDIX 4E – PRELIMINARY FINAL REPORT
RESULTS FOR ANNOUNCEMENT TO THE MARKET

the operational footprint across Australia, New Zealand and in the growing Asian recycling market in Singapore and Malaysia, as well as the first foray into the US market through the acquisition of the Meretec Steel Recycling Plant in Chicago. Pleasing progress has been made and progress towards their full integration and further efficiencies are expected to benefit the group's financial result in the coming twelve months.

A major highlight for the company during the year was the strategic investment secured from the waste management company Transpacific Industries Group Limited (ASX: TPI). TPI became a strategic investor in December 2007 after it subscribed for 49.8 million shares, giving it a 13.1% stake in the expanded capital of CMA. TPI has since become a key customer of CMA and it is expected that further synergies and benefits will be captured from the relationship in the future.

TPI has also contributed to the strength of CMA's Board of Directors with the appointment of Terry Woods in December 2007, following John Crabb's retirement at the last AGM. Further changes in the CMA Board occurred in January 2008, with the retirement of Managing Director Peter Hatfull who has been succeeded by Doug Rowe.

CMA's development during the past year and its post balance date acquisition of the assets of Meretec Limited and its subsidiaries will provide the group with an expanded infrastructure base. This provides a solid platform for further increases in activity levels and higher earnings in the coming year.

Recycling

The recycling division processes ferrous and non-ferrous metals for sale to the Australian, New Zealand, Asian and US markets. A significant portion of sales from Australia and New Zealand are exports to the Asian markets.

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

In Australia, the acquisition of Southern Recycling which completed on 4 July 2007 has significantly expanded the CMA's local recycling network and boosted output.

The Melbourne Meretec plant was officially opened in September 2007 with the quality of output from initial production exceeding expectations. Production volumes will be ramped up over the coming financial year and are planned to reach effective capacity by June 2009. On 31 January 2008, CMA completed its acquisition of a further Meretec plant in Chicago, USA. This provides an opportunity to further capitalise on the demand for innovative and responsible recycling processes.

Growth in New Zealand has continued and was driven by a high demand for export sales and by acquiring five new businesses. The acquisitions of three recycling businesses and two trucking businesses took place in late December 2007, February and April 2008. These acquisitions have improved CMA's operational footprint and competitive position in the New Zealand market.

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APPENDIX 4E – PRELIMINARY FINAL REPORT RESULTS FOR ANNOUNCEMENT TO THE MARKET

CMA also established a foothold in the growing Asian recycling market, with its acquisitions in Singapore and Malaysia during the past year. The acquisition of the Singapore-based Peakmore Enterprise business which trades and processes secondary metals was completed on 3 September 2007. Peakmore has been successfully integrated into the group during the past year delivering pleasing earning contributions.

Additionally, further expansion into Asia occurred, with an investment made in a Malaysian joint venture. Initially an investment for 40% of the entity took place in September 2007 and in May 2008 the remaining 60% was acquired. This business processes and exports mill residues to the Asian markets.

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 a number of projects during the year, with further contracts currently in progress. The results of the division for the reporting period continue to demonstrate improved project management and greater cost control.

The year ended 30 June 2008 has seen the completion of the Port Hedland marine demolition project. CMA Corporation Limited now has a claim against John Holland Limited in the amount of \$20.4m and has taken advice and considers that its claim against John Holland Limited has proper legal basis and is recoverable. Whereas the counterclaim by John Holland of \$16.5m is presently unclear and unsubstantiated and CMA Corporation Limited considers it does not have merit.

There is a consistent pipeline for future tenders by the division and management remains confident of winning its share of available contracts.

3. Balance Sheet and Accompanying Notes

The Balance Sheet for the Economic Entity and the Company is included on page 2 of the financial report, followed by accompanying notes to the statement.

4. Income Statement

The Income Statement for the Economic Entity and the Company is included on page 1 of the financial report, followed by accompanying notes to the statement.

5. Cash Flow Statement

The Cash Flow Statement for the Economic Entity and the Company is included on page 5 of the financial report, followed by accompanying notes to the statement.

6. Dividends

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

7. Dividend Reinvestment Plans

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APPENDIX 4E – PRELIMINARY FINAL REPORT RESULTS FOR ANNOUNCEMENT TO THE MARKET

A dividend reinvestment plan was established in April 2008.

8. Statement of Retained Earnings

The Statement of Changes in Equity for the Economic Entity and the Company is included on page 4 of the financial report, and includes details of the movements in retained earnings.

9. Net Tangible Assets per Security

	2008	2007
	\$	\$
Net tangible assets per share (cents per share)	24.0	14.0

10. Gain or Loss of Control over Entities

Note 10 to the financial report sets out the details of the entities over which control has been gained or lost during the financial year ended 30 June 2008 and the prior comparative period.

11. Details of Associates and Joint Venture Entities

The Company acquired a 40% interest in the issued ordinary share capital of Puarata Keuntungan Sdn Bhd, a company which was incorporated on 11 September 2007 as part of an agreement with Mr Su Wenwu. CMA then acquired the remaining 60% in May 2008, thus Puarata Keuntungan Sdn Bhd is now a wholly owned subsidiary. The company is a mill residue trading and processing business located in Malaysia, supplying the Asian markets.

12. Other Significant Information

This Appendix should be read in conjunction with the accompanying financial report, and the annual report for the financial year ended 30 June 2007 in order to obtain all information required to form an informed assessment of the Economic Entity's and the Company's financial performance and position.

13. Foreign Entities

The accounting standards used in compiling the financial report are Australian Equivalents to International Financial Reporting Standards (AIFRS). The Economic Entity includes subsidiary entities in New Zealand, Singapore, Malaysia, the United States and Papua New Guinea, as detailed in Note 10; the financial information of the New Zealand, Singapore, Malaysia, the United States and Papua New Guinea subsidiaries included in the consolidated financial report reflects application of AIFRS and thus accounting treatment is consistent across the Economic Entity.

14. Commentary on Results

Results

Commentary on the results achieved in the financial year ended 30 June 2008 and significant features of operating performance are included in 2.6 of this report.

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APPENDIX 4E – PRELIMINARY FINAL REPORT
RESULTS FOR ANNOUNCEMENT TO THE MARKET

Business Outlook

In terms of business outlook for next year, CMA will continue to integrate the newly acquired businesses and expect to realise significant scale benefits with real efficiencies and synergies across the expanded group. Thus with strong trading conditions in our markets, we are forecasting growth to continue during next year and are expecting an increase in Net Profit After Tax by 25 to 30%.

The distributions made to shareholders during the financial year are included in Note 3 to the financial report. There were no buy-backs from shareholders during the financial year or the prior comparative period.

The results of segments are included in Note 18 to the financial report.

15. Status of Audit

The attached financial information is based on accounts in the process of being audited.

16. Accounts Not Yet Subjected to Audit

Not applicable, as per Item 15 above.

17. Dispute or Qualification arising from Audit

No dispute or qualification has arisen or is expected to arise from the audit.

**CMA CORPORATION LIMITED – ABN 40 113 329 016
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**INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008**

	Note	Economic Entity		Parent Entity	
		2008 \$000	2007 \$000	2008 \$000	2007 \$000
Revenue	2	501,585	237,095	15,417	5,138
Other income	2	1,695	192	(255)	885
Changes in inventories of finished goods and work in progress		35,876	5,659	-	-
Inventories used		(367,791)	(144,213)	-	-
Employee benefits expense		(47,304)	(26,664)	(4,244)	(2,758)
Contractors, consultants and professional fees expense		(12,644)	(10,260)	(1,606)	(532)
Equipment expense		(24,269)	(17,356)	(80)	(69)
Transport expense		(18,115)	(14,862)	-	-
Office and yard rent expense		(11,384)	(4,341)	(437)	(197)
Travel expense		(6,873)	(3,250)	(681)	(344)
Communications and IT expense		(2,001)	(1,181)	(525)	(265)
Insurance expense		(1,782)	(1,949)	(90)	(61)
Other general and administration expense		(2,892)	(802)	(337)	(203)
Depreciation and amortisation expense		(11,133)	(4,949)	(141)	(127)
Finance costs		(9,935)	(3,311)	(1,188)	(675)
Profit before income tax		23,033	9,808	5,833	792
Income tax expense		(4,957)	(3,291)	(1,619)	31
Profit for the financial year		18,076	6,517	4,214	823
Profit attributable to members of the parent entity		18,076	6,517	4,214	823
Basic earnings per share (cents per share)	4	5.0	4.5		
Diluted earnings per share (cents per share)	4	5.0	4.5		

**CMA CORPORATION LIMITED - ABN 40 113 329 016
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**BALANCE SHEET
AS AT 30 JUNE 2008**

	Note	Economic Entity		Parent Entity	
		2008 \$000	2007 \$000	2008 \$000	2007 \$000
ASSETS					
Current Assets					
Cash and cash equivalents	5	3,348	21,276	112	18,957
Trade and other receivables	6	80,594	32,543	103,512	16,305
Inventories	7	56,236	20,230	-	-
Other assets	8	8,875	2,083	787	895
Total Current Assets		<u>149,053</u>	<u>76,132</u>	<u>104,411</u>	<u>36,157</u>
Non-Current Assets					
Receivables	6	18,335	89	11	33
Financial assets	9	534	525	108,313	44,535
Property, plant and equipment		140,722	31,425	2,751	2,283
Deferred tax assets		3,404	1,482	799	471
Intangible assets	11	78,289	36,909	-	-
Total Non-Current Assets		<u>241,284</u>	<u>70,430</u>	<u>111,874</u>	<u>47,322</u>
TOTAL ASSETS		<u>390,337</u>	<u>146,562</u>	<u>216,285</u>	<u>83,479</u>
LIABILITIES					
Current Liabilities					
Trade and other payables	12	81,820	21,347	1,362	3,513
Short-term borrowings	13	34,117	5,978	6,788	211
Current tax liabilities		3,600	1,937	1,470	-
Short-term provisions	14	2,073	1,279	339	93
Other	15	-	21,265	-	21,265
Total Current Liabilities		<u>121,610</u>	<u>51,806</u>	<u>9,959</u>	<u>25,082</u>
Non-Current Liabilities					
Trade and other payables	12	-	1,097	-	-
Long-term borrowings	13	91,603	34,065	51,133	8,011
Deferred tax liabilities		1,801	895	58	58
Long-term provisions	14	741	206	-	-
Total Non-Current Liabilities		<u>94,145</u>	<u>36,263</u>	<u>51,191</u>	<u>8,069</u>
TOTAL LIABILITIES		<u>215,755</u>	<u>88,069</u>	<u>61,150</u>	<u>33,151</u>
NET ASSETS		<u>174,582</u>	<u>58,493</u>	<u>155,135</u>	<u>50,328</u>

EQUITY

Issued capital	16	150,788	48,420	150,788	48,420
Retained earnings		26,235	9,934	4,347	1,908
Other reserves	17	(2,441)	139	-	-
Parent Interest		<u>174,582</u>	<u>58,493</u>	<u>155,135</u>	<u>50,328</u>
TOTAL EQUITY		<u>174,582</u>	<u>58,493</u>	<u>155,135</u>	<u>50,328</u>

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008**

Economic Entity	Note	Ordinary Share Capital	Retained Earnings	Other Reserves	Total
		\$000	\$000	\$000	\$000
At 30 June 2006		42,282	3,417	(563)	45,136
Shares issued during the financial year		6,055	-	-	6,055
Cost associated with shares issued during the financial year, net of tax		83	-	-	83
Profit attributable to members of parent entity		-	6,517	-	6,517
Exchange differences on translation of foreign operations		-	-	702	702
At 30 June 2007		48,420	9,934	139	58,493
Shares issued during the financial year		103,910	-	-	103,910
Cost associated with shares issued during the financial year, net of tax		(1,542)	-	-	(1,542)
Dividends paid during the financial year	3	-	(1,775)	-	(1,775)
Profit attributable to members of parent entity		-	18,076	-	18,076
Exchange differences on translation of foreign operations		-	-	(2,580)	(2,580)
At 30 June 2008		150,788	26,235	(2,441)	174,582
Parent		Ordinary Share Capital	Retained Earnings	Other Reserves	Total
		\$000	\$000	\$000	\$000
At 30 June 2006		42,282	1,085	-	43,367
Shares issued during the financial year		6,055	-	-	6,055
Cost associated with shares issued during the financial year, net of tax		83	-	-	83
Profit attributable to members of parent entity		-	823	-	823
At 30 June 2007		48,420	1,908	-	50,328
Shares issued during the financial year		103,910	-	-	103,910
Cost associated with shares issued during the financial year, net of tax		(1,542)	-	-	(1,542)
Dividends paid during the financial year	3	-	(1,775)	-	(1,775)
Profit attributable to members of parent entity		-	4,214	-	4,214
At 30 June 2008		150,788	4,347	-	155,135

CMA CORPORATION LIMITED - ABN 40 113 329 016
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CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

	Note	Economic Entity		Parent Entity	
		2008	2007	2008	2007
		\$000	\$000	\$000	\$000
Cash Flows from Operating Activities					
Receipts from customers		439,574	244,995	642	(33)
Payments to suppliers and employees		(422,303)	(233,465)	(9,905)	663
Interest received		1,601	162	47	6
Finance costs		(7,504)	(3,311)	(1,188)	(675)
Income tax paid		(4,412)	(1,928)	(477)	-
Net cash (used in) / provided by operating activities	20	6,956	6,453	(10,881)	(39)
Cash Flows from Investing Activities					
Proceeds from sale of property, plant and equipment		-	1,046	-	-
Purchase of property, plant and equipment		(47,867)	(10,052)	(609)	5,100
Outlays in respect of acquisition of subsidiaries		(36,926)	(8,530)	(47,400)	(11,728)
Amounts advanced to controlled entities		-	-	(49,700)	-
Dividends received		-	-	-	879
Net cash (used in) investing activities		(84,793)	(17,536)	(97,709)	(5,749)
Cash Flows from Financing Activities					
Proceeds from issue of shares		43,362	6,055	43,362	6,055
Proceeds from Entitlement Offer for which shares not issued at reporting date		-	18,816	-	18,816
Outlays in respect of share issue		(1,542)	-	(1,542)	-
Proceeds from borrowings		18,226	19,716	49,700	269
Repayment of borrowings		-	(15,277)	-	(404)
Dividends paid		(1,775)	-	(1,775)	-
Net cash provided by financing activities		58,271	29,310	89,745	24,736
Net (decrease) / increase in cash held		(19,566)	18,227	(18,845)	18,948
Cash at beginning of financial year		19,501	861	18,957	9
Cash acquired with subsidiary purchases		550	413	-	-
Cash at end of financial year	5	485	19,501	112	18,957

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

NOTES TO APPENDIX 4E

Note 1: Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. The financial report includes separate financial statements for CMA Corporation Limited as an individual entity, and the Economic Entity consisting of CMA Corporation Limited and its controlled entities.

a. Basis of Preparation

This financial report is a general purpose financial report that has been prepared in accordance with the requirements of Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

CMA Corporation Limited is a company limited by shares, which is incorporated and domiciled in Australia. The shares of CMA Corporation Limited are publicly traded on the Australian Stock Exchange following its listing on 8 July 2005.

The 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 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.

The financial report is presented in Australian dollars.

b. Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian Equivalents to International Financial Reporting Standards (AIFRS).

c. Changes in Accounting Policy

The accounting policies applied by the Company and the Economic Entity during the financial year ended 30 June 2008 are consistent with those applied in the previous financial year, except for the inventory policy .

Scrap metal included only the purchased cost on a weighted average basis in the past. The policy has been revised so that costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories by the method most appropriate to each particular class of inventory, with all categories being valued on a first in first out basis. There was no prior year adjustment as this is considered as immaterial.

d. Comparative Figures

The comparative figures in the financial report are for the financial year from 1 July 2006 to 30 June 2007. Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

e. Rounding of Amounts

The amounts contained in the Directors' Report and the 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.

f. Principles of Consolidation

The consolidated financial statements comprise the financial statements of CMA Corporation Limited (the Company) and its subsidiaries as at 30 June each year (the Economic Entity).

The financial statements of subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

All intercompany balances and transactions within the Economic Entity, including any unrealised profits or losses,

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have been eliminated in full upon consolidation.

Subsidiaries are consolidated from the date on which control is acquired by the Economic Entity. Control exists where the acquiring company within the Economic Entity has the capacity to dominate the decision-making in relation to the financial and operating policies of the acquired entity so that the acquired entity operates with, and assists in achieving the objectives of, the Economic Entity.

Investments in subsidiaries are accounted for at cost in the individual financial statements of CMA Corporation Limited.

A list of the controlled entities is included in Note 10 to the financial statements.

g. Business Combinations

The purchase method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or assets are acquired. Cost is measured at the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the fair value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Economic Entity's share of the identifiable net assets acquired is recorded as goodwill (refer to Note 1q). If the cost of acquisition is less than the Economic Entity's share of the fair value of the identifiable net assets of the business acquired, the difference is recognised directly in the Income Statement, but only after a reassessment of the identification and measurement of the net assets acquired. Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange.

Where any part of the consideration is dependent on the acquired business achieving certain future performance targets, this part of the consideration is recognised only when it is probable that the targets will be achieved.

h. Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Economic Entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably.

Demolition and Remediation Contracts and Work in Progress

Revenue from demolition and remediation contract services is recognised by reference to the stage of completion. Stage of completion is measured by reference to actual work completed to date as a percentage of total work to be completed for each contract.

Where the contract outcome cannot be measured reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Consideration received for the performance of certain demolition, remediation or other contract services may consist of cash, scrap metal and other intact items, and acquisition of the land where the services are being performed. The value of the scrap metal component recognised as revenue is determined by reference to the wholesale price for scrap metal less a discount. Total consideration is not recognised until the services are complete and all other conditions of the agreement have been satisfied.

Interest

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

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Dividends

Revenue is recognised when the shareholders' right to receive the payment is established.

i. Expenditure

Expenditure is brought to account on an accruals basis. The following specific recognition criteria must also be met before expenses are recognised:

Demolition and Remediation Contracts and Work in Progress

Expenses from demolition and remediation contract services are recognised by reference to the stage of completion.

Stage of completion is measured by reference to actual work completed to date as a percentage of total work to be completed for each contract.

Borrowing Costs

Borrowing costs are recognised as an expense when incurred.

j. Income Tax

The charge for current income tax expense is based on the profit for the financial year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of all taxable and deductible temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, except where the temporary difference relates to the initial recognition of an asset or a liability in a transaction other than a business combination, where neither accounting profit nor taxable profit or loss is affected at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised. The carrying amount of deferred income tax assets is reviewed at balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled.

Deferred tax is credited in the Income Statement except where it relates to items that may be recognised directly in equity, in which case the deferred tax is adjusted directly against equity.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Economic Entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

k. Other Taxes

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except:

- Where the GST incurred on a purchase of goods or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables are stated with the amount of GST payable or recoverable included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Balance Sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

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i. Cash and Cash Equivalents

Cash in the Balance Sheet comprises cash on hand and at banks, and in short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents per the Balance Sheet, net of outstanding bank overdrafts. Bank overdrafts are shown within Borrowings in current liabilities on the Balance Sheet.

m. Trade and Other Receivables

Trade debtors are recognised and carried at original invoice amount less any allowance for doubtful debts.

An allowance for doubtful debt is recognised when collection of the full invoiced amount is no longer probable.

n. Inventories

Inventories are valued at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories by the method most appropriate to each particular class of inventory, with all categories being valued on a first in first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

Work In Progress

Demolition and remediation contracting work in progress is stated at the aggregate of contract costs incurred to date plus recognised profits less recognised losses and progress billings. Contract costs include all costs directly related to specific contracts and costs that are specifically chargeable to the customer under the terms of the contract.

o. Plant and Equipment

Land held for use in the production or supply of goods or services, or for administrative purposes, is carried in the Balance Sheet at cost.

Plant and equipment, leasehold improvements are stated at cost less accumulated depreciation and impairment. Construction in progress is stated cost. Cost includes expenditure that is directly attributable to the acquisition or construction of the item.

Depreciation

Depreciation is provided on plant and equipment, but excluding land. Depreciation of plant and equipment is calculated on a straight-line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. Owned machineries and machineries held under finance leases are depreciated over their expected useful lives, where shorter, the term of the relevant lease, using the reducing balance method. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is shorter, using the reducing balance method.

The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

From 1 January 2008, the estimated useful lives of assets across the group was standardised and and this resulted in a positive impact on earnings of \$1.02m.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Leasehold improvements	10%
Plant and equipment	5%-33%
Leased plant	Over the lease term

p. Leases

Finance Leases

Leases of property, plant and equipment where substantially all the risks and benefits incidental to the ownership of the asset, but not legal title, are transferred to entities in the Economic Entity, are classified as finance leases.

Finance leases are capitalised at the inception of the lease, recording an asset and a liability equal to the value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated over their estimated useful lives where it is likely that the Economic Entity will obtain ownership of the asset, or over the term of the lease.

Lease payments are allocated between the reduction of the lease liability and the lease expense for the financial year.

Operating Leases

Leases where substantially all the risks and benefits remain with the lessor are classified as operating leases.

Operating lease payments are recognised as an expense in the Income Statement on a straight-line basis over the lease term.

q. Goodwill

Goodwill is initially recognised at cost, being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised.

Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that the carrying value may not be fully recoverable. As at the acquisition date, any goodwill arising is allocated to each of the cash-generating units expected to benefit from the business combination. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised. The recoverable amount is the higher of a cash-generating unit's fair value less costs to sell and its value in use.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

r. Recoverable Amount of Assets

At each reporting date, the Economic Entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets may be impaired. If such an indication exists, a formal assessment of recoverable amount is made. The recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Where the carrying value of an asset exceeds its recoverable amount, the asset is considered to be impaired and the excess is written off to the Income Statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the Economic Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

s. Trade and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods and services received prior to the end of the financial year, whether or not billed to the Economic Entity.

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t. Borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Gains and losses are recognised in the Income Statement when the liabilities are derecognised and as well through the amortisation process.

u. Provisions

Provisions are recognised when the Economic Entity has a present legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of a past transaction or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted to their present values.

v. Contributed Equity

Issued and paid up capital is recognised at the fair value of the consideration received by the parent entity. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

w. Share Based Payments

Share based compensation benefits are provided to employees via the Employee Equity Plans.

Shares issued to employees for no cash consideration vest immediately on grant date. On this date, the market value of the shares issued is recognised as an employee benefits expense with a corresponding increase in equity.

x. Foreign Currency Translation

Functional and Presentation Currency

Both the functional and presentation currencies of CMA Corporation Limited and its Australian subsidiaries are Australian dollars.

The functional currency of the overseas subsidiaries (refer to Note 10 to the financial statements for a list of subsidiaries incorporated outside Australia) are the currencies of the countries in which those subsidiaries were incorporated. The functional currencies applied by overseas subsidiaries are New Zealand dollars, Papua New Guinean kina, Singaporean, Malaysian and United States dollars.

Transactions and Balances

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are re-translated at the end of the reporting period using the rate of exchange at the reporting date. All exchange differences arising are recognised in the Income Statement.

Group Companies

At the end of the reporting period, the assets and liabilities of overseas subsidiaries are translated into the presentation currency of CMA Corporation Limited at the rate of exchange ruling at the reporting date, and the Income Statements are translated using the weighted average exchange rates for the reporting period.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The exchange differences arising on the re-translation of overseas subsidiaries are taken directly to a separate component of equity.

y. Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below:

Financial Assets at Fair Value through Profit and Loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the Income Statement in the financial year in which they arise.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity Investments

These investments have fixed maturities, and it is the Economic Entity's intention to hold these investments to maturity. Any held-to-maturity investments held by the Economic Entity are stated at amortised cost using the effective interest rate method.

Financial Liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Derivative Instruments

Derivative instruments are measured at fair value. Derivatives do not qualify for hedge accounting, and thus changes in the value of derivative financial instruments are recognised immediately in the Income Statement.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Economic Entity assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the Income Statement.

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	Economic Entity		Parent Entity	
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Note 2: Revenues				
Operating Activities				
Sale of goods and services	470,918	201,766	15,417	5,138
Contract revenue	30,667	35,329	-	-
Total revenues from operating activities	<u>501,585</u>	<u>237,095</u>	<u>15,417</u>	<u>5,138</u>
Non-operating Activities				
Interest received from other persons	1,601	162	47	6
Dividends received from wholly owned subsidiaries	-	-	-	879
Other revenue	381	76	(302)	-
Loss on disposal of property, plant and equipment	(287)	(46)	-	-
Total revenues from non-operating activities	<u>1,695</u>	<u>192</u>	<u>(255)</u>	<u>885</u>
Total revenues from ordinary activities	<u>503,280</u>	<u>237,287</u>	<u>15,162</u>	<u>6,023</u>
Note 3: Dividends				
Declared and paid during the year				
Dividends on ordinary shares:				
- Interim declared: 0.5 cent per share	<u>1,775</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unrecognised amounts				
Final dividend: 0.5 cent per share	<u>2,201</u>	<u>-</u>	<u>-</u>	<u>-</u>

The \$1,775,000 interim dividend paid in 2007 was declared in relation to the financial period from 1 July 2007 to 31 December 2007.

On 16 August 2008, the directors declared a fully franked final dividend of 0.5 cents per share to the holders of fully paid ordinary shares in respect of the financial year ended 30 June 2008. The total estimated dividend to be paid is \$2,201,000.

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NOTES TO APPENDIX 4E

	Economic Entity		Parent Entity	
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Note 4: Earnings Per Share				
a. Reconciliation of earnings to net profit				
Earnings used in the calculation of basic and diluted EPS				
- Net profit after tax	18,076	6,517		
b. Basic Weighted average number of ordinary shares				
	364,207,035	144,619,405		
Diluted Weighted average number of ordinary shares				
	364,688,474	144,619,405		
c. Classification of shares				
All shares included in the calculation of basic and diluted EPS are classified as ordinary shares.				
There are no instruments excluded from the calculation of basic and diluted EPS due to their being anti-dilutive.				
d. Ordinary share transactions after the reporting date				
	No.	No.	No.	No.
Shares issued on 4 July 2007 as partial consideration for acquisition of Universal Metals Pty Limited	-	46,875,000	-	-
Shares issued on 4 July 2007 pursuant to an Entitlement Offer to Eligible Shareholders in CMA Corporation Limited as set out in a Prospectus dated 29 May 2007	-	115,869,961	-	-
Shares issued on 13 August 2008 as consideration for acquisition of the assets of UK-based Meretec Limited	37,500,000	-	-	-

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	Note	Economic Entity		Parent Entity	
		2008	2007	2008	2007
		\$000	\$000	\$000	\$000
Note 5: Cash and Cash Equivalents					
Cash at bank and on hand		3,348	21,276	112	18,957
Reconciliation of Cash					
Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to items in the Balance Sheet as follows:					
Cash and cash equivalents		3,348	21,276	112	18,957
Bank overdrafts	13	(2,863)	(1,775)	-	-
		485	19,501	112	18,957
Note 6: Trade and Other Receivables					
Current					
Trade debtors		81,118	29,499	-	-
Provision for impairment of receivables		(702)	(81)	-	-
		80,416	29,418	-	-
Other debtors		178	2,557	12	549
Derivative asset		-	568	-	-
Amounts receivable from:					
- Wholly owned subsidiaries		-	-	103,500	15,756
		80,594	32,543	103,512	16,305
Non-Current					
Retentions and deposits		147	89	11	33
Claims receivable		17,969	-	-	-
Sundry debtors		219	-	-	-
		18,335	89	11	33
Note 7: Inventories					
At cost					
Work in progress - demolition and remediation contract services		3,140	8,174	-	-
Finished goods:					
Scrap metal		52,283	10,124	-	-
Manufactured ingots		813	1,932	-	-
		56,236	20,230	-	-

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NOTES TO APPENDIX 4E

	Economic Entity		Parent Entity	
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Note 8: Other Assets (Current)				
Prepayments	4,019	2,083	787	895
GST Receivable	4,856	-	-	-
Prepayments	8,875	2,083	787	895

Note 9: Other Financial Assets (Non-Current)

Unlisted investments, at cost				
- Shares in controlled entities	-	-	108,313	44,535
- Shares in other entities	534	525	-	-
	534	525	108,313	44,535

The Economic Entity's investment in other entities relates to a 7% interest held in CMA Engineering Pty Limited, a company established to hold the distribution rights for Australasia for hydroxy based steel cutting equipment.

CMA Engineering Pty Ltd was registered on 3 July 2006, at which time the Economic Entity held 51% of the voting shares. On 31 December 2006, the Economic Entity's interest in CMA Engineering was reduced from 51% to 7% through the injection of additional capital by other shareholders.

The Economic Entity's investment in CMA Engineering Pty Limited is recorded at cost.

Note 10: Controlled Entities and Associates

	Country of Incorporation	Percentage Owned	Percentage Owned
		2008	2007
CMA Corporation Limited	Australia		
Subsidiaries of CMA Corporation Limited are:			
CMA Contracting Pty Limited (formerly Moltoni Adams Group Pty Limited)	Australia	100%	100%
CMA Recycling Australia Pty Limited (formerly CMA Metals Pty Limited)	Australia	100%	100%
T & T Metal & Asbestos Services Pty Limited	Australia	100%	100%
Asia Pacific Metals Pty Limited	Australia	100%	100%
Asia Pacific Metals Unit Trust	Australia	100%	100%
CMA Recycling Pty Limited (formerly CMA Metals (QLD) Pty Limited)	Australia	100%	100%
CMA Recycling Victoria Pty Limited (formerly Universal Metals Pty Limited)	Australia	100%	-
Advanced Recycling Australasia Pty Limited	Australia	100%	-
RBP Trading Pty Limited	Papua New Guinea	100%	100%
Scrap Metal Recyclers Limited	New Zealand	100%	100%
Scrap Metal Recyclers (Waikato) Limited	New Zealand	100%	100%
CMA Metals Limited	New Zealand	100%	100%

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CMA Metals (NZ) Limited	New Zealand	100%	100%
The Scrap Metal Company Limited	New Zealand	100%	100%
Scrap Steel Recyclers (Hamilton) Limited	New Zealand	100%	100%
Steel Can Recycling Limited	New Zealand	100%	-
Peakmore Enterprise Pte Limited	Singapore	100%	-
Purata Keuntungan Sdn Bhd	Malaysia	100%	-
CMA Recycling Corporation, Ltd	United States	100%	-

Controlled Entities Acquired

On 4 July 2007, the Company acquired all the issued equity of CMA Recycling Victoria Pty Limited (formerly Universal Metals Pty Limited) and Advanced Recycling Australasia Pty Limited.

On 13 September 2007, CMA Peakmore Pte Limited, a wholly owned subsidiary of the Company, acquired all the issued equity of Peakmore Enterprise Pte Limited.

On 1 February 2008, the Company acquired all the issued equity of Steel Can Recycling Limited.

The Company acquired 40% interest in Purata Keuntungan Sdn Bhd, a Malaysian based metal processing company, in November 2007. Then on 30 May 2007, the Company increased its holding to 100%.

Associates of CMA Corporation Limited are:

CMA Industries (Singapore) Pte Limited	Singapore	50%	50%
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On 30 May 2007, the Company established CMA Industries (Singapore) Pte Limited. This new company has not traded during the period up to the date of this report.

Economic Entity		Parent Entity	
2008	2007	2008	2007
\$000	\$000	\$000	\$000

Note 11: Intangible Assets

Goodwill

Balance at the beginning of the financial year	36,909	29,660	-	-
Additions - goodwill arising on acquisition of subsidiaries	39,162	7,249	-	-
Disposals	-	-	-	-
Impairment losses	-	-	-	-
Carrying amount at the end of the financial year	76,071	36,909	-	-

Licenses

Balance at the beginning of the financial year	-	-	-	-
Additions	2,218	-	-	-
Disposals	-	-	-	-
Impairment losses	2,218	-	-	-
	78,289	36,909	-	-

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NOTES TO APPENDIX 4E

Note 12: Trade and Other Payables

Current

Unsecured liabilities

Trade creditors	71,770	14,086	1,022	626
Sundry creditors and accrued expenses	10,050	7,261	340	2,341
Derivative liability	-	-	-	-

Amounts payable to:

- Wholly owned subsidiaries	-	-	-	546
	<u>81,820</u>	<u>21,347</u>	<u>1,362</u>	<u>3,513</u>

Non-Current

Non-interest bearing borrowings	-	1,097	-	-
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Note 13: Borrowings

Current

Secured liabilities

Bank overdrafts	5	2,863	1,775	-	-
Lease liability		526	351	111	211
Hire purchase liabilities		8,981	2,553	-	-
Bank loans		15,070	1,299		-

Unsecured liabilities

Loans from a related party		6,677	-	6,677	-
		<u>34,117</u>	<u>5,978</u>	<u>6,788</u>	<u>211</u>

Non-Current

Secured liabilities

Lease liability		2,945	2,408	1,633	1,861
Hire purchase liabilities		22,722	7,677	-	-
Bank loans		65,936	23,980	49,500	6,150
		<u>91,603</u>	<u>34,065</u>	<u>51,133</u>	<u>8,011</u>

a. Total Current and Non-current Borrowings

Secured liabilities

Bank overdraft		2,863	1,775	-	-
Lease Liability		3,472	2,759	1,744	2,072
Hire purchase liabilities		31,703	10,230	-	-
Bank loans		81,006	25,279	49,500	6,150

Unsecured liabilities

Loans from a related party		6,677		6,677	
		<u>125,720</u>	<u>40,043</u>	<u>57,921</u>	<u>8,357</u>

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	Economic Entity		Parent Entity	
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Note 14: Provisions				
Employee Entitlements				
Provision for employee entitlements	2,814	1,485	339	93
Analysis of Total Provisions				
Current	2,073	1,279	339	93
Non-current	741	206	-	-
	<u>2,814</u>	<u>1,485</u>	<u>339</u>	<u>93</u>

Provision for Employee Entitlements

A provision has been recognised for employee entitlements relating to annual leave, rostered days off, long service leave and, where required under the terms of the workplace agreements in place, sick leave.

The measurement and recognition criteria relating to provisions have been included in Note 1u to this report.

Note 15: Other Current Liabilities

Liability to issue shares under Entitlement Offer	-	18,816	-	18,816
Liability to issue shares as deferred consideration for acquisitions	-	2,449	-	2,449
Other	-	-	-	-
	<u>-</u>	<u>21,265</u>	<u>-</u>	<u>21,265</u>

Liability to Issue Shares Under Entitlement Offer

CMA Corporation Limited issued a Prospectus on 29 May 2007 for a non-renounceable entitlement offer to eligible shareholders. Under the entitlement offer, eligible shareholders were entitled to acquire three new shares in CMA Corporation Limited for every four existing shares held at the record date, at a price of 32 cents per share. The gross proceeds of \$37,078,388 raised by the entitlement offer were used to fund the cash consideration payable by CMA Corporation Limited for its acquisition of Universal Metals Pty Limited, to meet the costs of that transaction, and to fund the general working capital requirements of the Economic Entity. The entitlement offer closed on 29 June 2007.

At 30 June 2007, CMA Corporation Limited had received \$18,816,094 from shareholders participating in the entitlement offer. Further funds of \$18,262,294 were received subsequent to year end from participating shareholders and underwriters. The issue of shares occurred on 4 July 2007 and consequently the cash received prior to the end of the financial year has been recorded as a liability to issue ordinary shares in CMA Corporation Limited.

Note 16: Issued Capital

Ordinary Shares

Issued and fully paid	150,788	48,420	150,788	48,420
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Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called; otherwise each shareholder has one vote on a show of hands.

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There is no par value associated with ordinary shares.

	Note	Economic Entity		Parent Entity	
		2008	2007	2008	2007
		\$000	\$000	Shares	Shares
Movements in ordinary shares on issue					
At the beginning of the financial year		48,420	42,282	154,513,105	142,454,649
Shares issued during the financial year					
- 7 July 2006			100		343,520
- 20 October 2006			148		415,002
- 15 November 2006			800		2,469,233
- 7 December 2006			2		6,346
- 22 February 2007			426		930,355
- 11 May 2007			4,579		7,894,000
- 4 July 2007		59,110		162,744,961	
- 13 September 2007		4,638		9,464,624	
- 25 October 2007		3,263		5,826,323	
- 23 November 2007		11,070		22,848,095	
- 30 November 2007		305		825,000	
- 5 December 2007		13,103		27,044,757	
- 21 December 2007		2,206		2,961,172	
- 4 February 2008		392		611,920	
- 8 February 2008		6,938		11,012,266	
- 8 February 2008		304		490,410	
- 2 April 2008		66		100,000	
- 2 April 2008		781		1,394,495	
- 2 April 2008		1,735		3,723,240	
Less transaction costs		(1,542)	83	-	-
At the end of the financial year		<u>150,788</u>	<u>48,420</u>	<u>403,560,368</u>	<u>154,513,105</u>
Shares issued subsequent to reporting date					
- 4 July 2007		-	52,078	-	162,744,961
- 13 August 2008		17,250	-	37,500,000	-
Less transaction costs		-	(1,252)	-	-
		<u>168,038</u>	<u>50,826</u>	<u>441,060,368</u>	<u>162,744,961</u>
		Economic Entity		Parent Entity	
		2008	2007	2007	2006
		\$000	\$000	\$000	\$000
Note 17: Reserves					
Foreign currency translation reserve		<u>2,441</u>	<u>(139)</u>	<u>-</u>	<u>-</u>

NOTES TO APPENDIX 4E

a. Movement in Reserves

Movements in reserves are detailed fully in the Statement of Changes in Equity.

b. Nature and Purpose of Reserves

Foreign Currency Translation Reserve

Exchange differences arising on translation of the Company's foreign subsidiaries are taken to the foreign currency translation reserve, as described in Note 1x. The reserve is recognised in profit and loss at such time as the Company disposes of its net investment.

Note 18: Segment Reporting

a. Description of Segments

Business Segments

The Economic Entity is divided into the following two business segments:

Scrap Metal Trading Division

This division trades in both ferrous and non-ferrous metals, and its activities include the recovery, buying, processing, testing, analysis and selling of scrap metal in domestic and export scrap metal markets. The division also manufactures and sells metal ingots.

Demolition and Remediation Contract Services Division

The services of this division include resource, industrial plant and marine deconstruction, large scale demolition and site clearance and remediation.

Geographic Segments

The Economic Entity's business segments are located in Australia, New Zealand and Asia.

Australia

The home country of the parent entity and to subsidiaries operating in both the Scrap Metal Trading Division and the Demolition and Remediation Contract Services Division.

New Zealand

Comprises operations carried on solely in relation to the Scrap Metal Trading division.

Asia

Comprises operations in Singapore and Malaysia carried on solely in relation to the Scrap Metal Trading division.

The Economic Entity includes subsidiaries located in Papua New Guinea and United State, and an associated entity in Singapore. However, for reporting purposes these businesses are not considered to be separate segments. Their revenues, assets and acquisitions are unallocated.

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NOTES TO APPENDIX 4E

b. Primary Reporting Format – Business Segments

2008	Metals Recycling \$000	Contract Services \$000	Unallocated/ Elimination \$000	Total \$000
Revenue				
External sales	470,917	30,668	-	501,585
Other segments	21,628	9,315	(30,943)	-
Total sales revenue	492,545	39,983	(30,943)	501,585
Other revenue	94	-	-	94
Interest income	254	1,347	-	1,601
Total revenue from ordinary activities	492,893	41,330	(30,943)	503,280
Result				
Segment result	28,029	4,960	(21)	32,968
Borrowing costs	(6,875)	(3,060)	-	(9,935)
Profit from ordinary activities before income tax expense				23,033
Income tax expense				(4,957)
Profit from ordinary activities after income tax expense				18,076
Net profit				18,076
Assets & Liabilities				
Segment assets	506,067	37,553	(153,283)	390,337
Segment liabilities	289,670	30,095	(104,010)	215,755
Other				
Acquisitions of non-current segment assets	161,205	3,912	-	165,118
Depreciation and amortisation of segment assets	9,296	1,837	-	11,133
2007				
	Metals Recycling \$000	Contract Services \$000	Unallocated/ Elimination \$000	Total \$000
Revenue				
External sales	202,283	34,812	-	237,095
Other segments	6,336	6,572	(12,908)	-
Total sales revenue	208,619	41,384	(12,908)	237,095
Other revenue	102	(15)	(57)	30
Interest income	-	-	162	162
Total revenue from ordinary activities	208,721	41,369	(12,803)	237,287

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Result

Segment result	12,430	157	532	13,119
Borrowing costs			(3,311)	(3,311)
Profit from ordinary activities before income tax expense				9,808
Income tax expense				(3,291)
Profit from ordinary activities after income tax expense				6,517
Net profit				6,517

Assets & Liabilities

Segment assets	72,740	32,374	41,299	146,413
Segment liabilities	57,445	25,243	5,232	87,920

Other

Acquisitions of non-current segment assets	15,510	3,491	36	19,037
Depreciation and amortisation of segment assets	2,102	2,720	127	4,949

c. Secondary Reporting Format – Geographic Segments

2008	Australia	New Zealand	Asia	Unallocated / Elimination	Total
	\$000	\$000	\$000	\$000	\$000
Segment revenues from sales to external customers	338,957	119,602	40,534	2,492	501,585
Segment assets	456,382	43,050	32,820	(141,916)	390,337
Acquisitions of non-current segment assets	132,123	15,877	7,358	9,760	165,118

2007	Australia	New Zealand	Asia	Unallocated / Elimination	Total
	\$000	\$000	\$000	\$000	\$000
Segment revenues from sales to external customers	149,215	87,466	-	414	237,095
Segment assets	169,650	18,157	-	(41,394)	146,413
Acquisitions of non-current segment assets	18,241	711	-	7,358	19,037

d. Accounting Policies

Segment information is prepared in conformity with the accounting policies of the Economic Entity as disclosed in Note 1 and accounting standard AASB 114 "Segment Reporting".

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Segment revenues and expenses are those directly attributable to the segments and included any joint revenue and expenses where a reasonable basis of allocation exists.

Segment assets include all assets used by a segment and consist principally of cash, receivables, inventories, intangibles and property, plant and equipment, net of allowances and accumulated depreciation and amortisation.

While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by more than one segment is allocated to the segments on a reasonable basis.

Segment liabilities consist principally of accounts payable, accrued expenses, borrowings and provisions for employee entitlements.

Segment assets and liabilities do not include income taxes.

e. Inter-Segment Transfers

Segment revenues, expenses and result include transfers between segments. The prices charged on inter-segment transactions are the same as those charged for similar goods to parties outside the Economic Entity on an arm's length basis. These transfers are eliminated on consolidation.

Note 19: Events Subsequent To Reporting Date

- a. On 13 August 2008, CMA Corporation Limited acquired 100% of the voting shares of Meretec Corporation Limited, based in United States. CMA Corporation Limited has issued 37,500,000 ordinary shares with fair value of 0.46 cents per share. The fair value of shares issued reflects the share price on the date of settlement, 13 August 2008.

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	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Note 20: Cash Flow Information				
a. Reconciliation of Cash Flow from Operations to Profit from Ordinary Activities after Income Tax				
Profit from ordinary activities after income tax	18,076	6,517	4,214	823
Non-cash flows in profit from ordinary activities				
Depreciation and amortisation	11,133	4,949	141	127
Net loss/(gain) on disposal of property, plant and equipment	287	46	-	-
Unrealised foreign exchange losses/(gains)	(287)	(409)	302	-
Non cash interest expense	2,431			
Dividend income	-	-	-	(879)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries				
(Increase)/decrease in trade and other receivables	(55,681)	(9,475)	(14,883)	(2,568)
(Increase)/decrease in inventories	195	(5,368)	-	-
(Increase)/decrease in prepayments	(6,424)	398	108	(874)
(Increase)/decrease in deferred tax assets	(2,052)	(674)	(804)	(107)
Increase/(decrease) in trade payables and accruals	36,904	8,036	(2,151)	3,297
Increase/(decrease) in income taxes payable	1,663	1,806	1,470	-
Increase/(decrease) in deferred taxes payable	458	147	-	(7)
Increase/(decrease) in provisions	(223)	441	246	66
Increase/(decrease) in other liabilities	-	(44)	-	-
Increase/(decrease) in deferred tax component of costs of equity	476	83	476	83
Net cash (outflow) from operating activities	<u>6,956</u>	<u>6,453</u>	<u>(10,881)</u>	<u>(39)</u>

Note 21: Contingent Liabilities and Contingent Assets

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

Contingent Liabilities

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 by the guarantees range from half a year to approximately three years.

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Economic Entity		Parent Entity	
2008	2007	2008	2007
\$000	\$000	\$000	\$000
5,875	2,410	5,259	260

Contract Dispute

CMA Corporation Limited has taken advice and considers that its claim against John Holland of \$20.4 million, before the time value adjustment, has a proper legal basis and is recoverable. Whereas the counterclaim by John Holland of \$16.5 million is presently unclear and unsubstantiated and CMA Corporation Limited considers it does not have merit. This contract is now complete.

ATO Dispute

CMA Corporation Limited is in dispute with the ATO re a GST dispute and an amount has been provided which will be in line with what is payable.