



CMA Corporation Ltd
Level 5, 160 Sussex Street
Sydney NSW 2000
PO Box 1256
Queen Victoria Building, NSW 1230
Telephone +61 (0)2 9200 3500
Facsimile +61 (0)2 9200 3501
www.cmacorp.net
ABN 40 113 329 016

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

Dear Sirs,

ANNOUNCEMENT: CMA CONFIRMS PROFIT GUIDANCE

We attach an Announcement for immediate release to the Market.

Yours faithfully,


Trevor Schmitt
Company Secretary
CMA Corporation Ltd

CMA CORPORATION LIMITED
ASX ANNOUNCEMENT: PROFIT GUIDANCE

16 DECEMBER 2008

CMA CONFIRMS PROFIT GUIDANCE

The Board of metal recycling group **CMA Corporation Limited** (ASX: CMV) has today provided guidance for the first half of the 2009 financial year.

As stated in previous announcements, the dramatic and unprecedented fall in commodities prices over the past few months has had a significant impact on CMA's metals recycling businesses in all countries in which we operate.

Based on the latest review of the Company's trading position, the Board can confirm that it is facing a significant operating loss for the half ending 31 December 2008.

The Board estimates the EBITDA loss to be between \$25 to \$30 million resulting in a Net Loss After Tax for the period of approximately \$35 million.

The \$35 million loss includes approximately \$15-17 million in stock losses that have arisen from the drop in commodity prices, a potential foreign exchange loss of between \$7-9 million due to the dishonouring of letters of credit and the cancellation of sales contracts, and potentially between \$5-6 million in doubtful debts.

A delay in the commissioning of shredders to be installed at the Ringwood facility in Victoria and the Auckland facility in New Zealand has also impacted the result.

The Group has also been impacted by employee retrenchment costs having reduced total staff by approximately 10%.

CMA Chairman Alan Good said the Board was very disappointed with the revised profit guidance but was confident that the loss would be contained within the first half of the financial year.

"It is extremely disappointing that the global financial meltdown has had such a significant impact on our 2009 first half result," said Mr Good.

"While the decline in the commodities market has been devastating, it is the quantum effect of dramatically falling commodity prices and the liquidity crisis in the financial markets that has led to this unexpected operational downturn.

"No one could have foreseen the speed or severity of these conditions, however we have acted as quickly as possible to minimise the impact on CMA."

Mr Good said that the Board had taken a number of steps over the past few months to strengthen the Group's balance sheet including reducing staff numbers, managing cash and reducing operating costs.

In November, the Company completed an \$11.25 million Placement to global scrap metal recycler and trader Scholz Invest GmbH which has been applied to debt reduction.

CMA Managing Director Doug Rowe said despite the poor start to FY09 the Board remained positive about the prospects for CMA in the medium to long term.

"We have a very strong network of operations and with the support of major investors we feel confident that CMA will rebound strongly once the markets stabilise," said Mr Rowe.

"The industry and the market continue to support the CMA team and we look forward to dealing with this one off structural change and returning CMA to profitability in the second half.

"We're confident conditions in our markets will improve by the end of the first quarter of the 2009 calendar year."

– ENDS –

For more information:

Doug Rowe
Managing Director
Tel: 02 9200 3500

Katherine Knox
FD Third Person
Tel: 08 9386 1233