



CMA Corporation Ltd
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ABN 40 113 329 016

23 November 2009

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

Dear Sirs,

ANNOUNCEMENT:

**AGM 2009 Chairman's and Managing Director's Address
with associated presentation**

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 faint, illegible stamp or background.

**Trevor Schmitt
Company Secretary
CMA Corporation Ltd**

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CMA Corporation Limited Annual General Meeting 23 November 2009

Chairman's Address

Good Afternoon Ladies & Gentleman, my name is Alan Good and I am the Chairman of CMA Group. I am delighted to welcome you to the 5th Annual General Meeting of CMA Corporation Limited. It's a great pleasure to see many of our shareholders again.

The past year has been very tough and disappointing for all involved with CMA. CMA incurred a loss of almost \$73 million. The directors and management understand the angst of shareholders as the value of their investment in CMA diminished. I can assure shareholders that your Board is working very hard to restore that value.

The effects of the global financial crisis created unprecedented challenges for your company. During the year we had to deal with a range of adverse market factors and conditions, including:

- A dramatic fall in the price of metals over a relatively short period;
- Many customers cutting back on production due to economic conditions, with a consequent fall in scrap volumes;
- Extremely difficult cashflow constraints caused by a combination of the losses we incurred due to price and volume pressures and the tight credit markets;
- Competitors with stronger cash resources becoming very active amongst our client base; and
- Clients in our contracting business seeking to defer all non-essential expenditure, resulting in our work flow drying up.

The management of the Group responded to these challenges by critically reviewing all expenditure, operations and staffing levels.

Directors and staff took pay cuts and we continue to vigorously review expenditure.

Within these constraints, we remained focused on what we needed to do to ensure the business remained viable and able to grow once conditions in the economy returned to normal.

That has been our thinking for some time now and remains our strategy for achieving the strongest, most sustainable rebound once conditions turn in our key markets.

CMA has come through what I hope is the worst of the crisis with our businesses intact and primed to take full advantage of that rebound when it comes.

We now have three shredders in operation, our locations are strategically placed throughout Australasia, the United States and New Zealand to benefit from a upturn in scrap volumes, and our contracting business is starting to receive more enquiries.

The motor vehicle industry, which is important to our Victorian, South Australia and US operations, is picking up and we are now seeing increased scrap volumes.

Since the last AGM, we have completed two significant capital raisings.



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The first saw Scholz AG become a major shareholder on the Group. This is an important relationship for us as Scholz is one of the world's largest recycling companies. We are delighted that Mike Greulich from Scholz has nominated to join our board.

The second raising has only recently been completed and we are very pleased with the support we received from our shareholders. The Share Purchase Plan and Placement together raised \$25 million dollars, with the SPP raising \$20m and the Placement raising \$5m respectively. We also received support from new investors.

Although trading conditions have improved since earlier this year uncertainties in the market remain and for that reason we believe it is not practical to give shareholders forecast profit guidance at this stage.

However, we are seeing improved volumes going through the business, and we are confident of the long term prospects of the group.

As I said earlier, this has been a very tough year. I would like to acknowledge the terrific response by our management team, led by Doug Rowe, to deal with the many crises and issues which arose during the year.

Without their efforts we would not be here today. The old adage "when the going gets tough the tough get going" was very evident with Doug and his team.

On behalf of all shareholders I thank Doug and his management team for their persistence and dedication to the company during the year.

As mentioned during my Board introduction, at the conclusion of this AGM, Rob Moltoni will be standing down as a director. Rob has been with CMA since our listing and he remains a major shareholder of the company. Rob has been a great contributor to this business over many years and he will be missed. On behalf of all shareholders, the Board and staff of CMA I would like to thank you Rob for your role in the foundation and growth of CMA Corporation.

In closing, I would also like to thank all of CMA's employees for the considerable effort they have put in during the past year. As a shareholder I am very grateful for the extraordinary commitment shown by our people during these very difficult times.

This has been a very tough year for everyone associated with CMA and you can be assured that your Board is working assiduously to position the Company for the strongest possible bounce back when conditions improve.

Thank you again for your support and I look forward to better conditions for all of us in the year ahead.



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**CMA Corporation Limited
Annual General Meeting
23 November 2009**

Managing Director's Address

Good afternoon Ladies and Gentlemen.

As Alan said, the external environment made this a very tough year for CMA Corporation.

Out of adversity comes not only major challenges but also great opportunities.

I hope that the hard work invested this year in keeping CMA on track will also pay enormous dividends for the Company and our shareholders in the years ahead.

Hopefully, we will look back on the past year as an important one for a number of very good reasons.

That the global financial crisis hurt our business is clear to all of us. There are very few businesses out there that have not suffered from contracting demand, falling prices and tight credit conditions. But the measure of the strength of any business is in how it responds to these challenges.

Managing in buoyant economic times has its challenges but it's managing in really tough times where it really counts.

CMA's response has been to fight hard for survival, and to keep planning and building for a bright future once the storm has passed. Much work has been done over the last 2 years to have CMA operate in a professional corporate environment with new credit systems, controls and reporting that sets us up for the future from a very low base when the company first floated.

Today, I can assure you we have well and truly survived, and we are now working hard on making sure we prosper well in the future. Of course, we can't dismiss the seriousness of the situation we found ourselves in during the last 12 months.

As confidence in virtually all global markets fell from September last year, we experienced declining demand for our products and services, falling prices, and extreme volatility.

The fall in demand for commodities impacted demand for metals, with clear consequences for our metal recycling businesses. Our contracting operations were also affected as liquidity in financial markets dried up, affecting the progress of major projects and slowing demand for our deconstruction services.

On the slide, here you can see how our revenues were impacted by falling prices and volumes. But you will also see how Asia has performed well compared to other locations.

Looking back over 2009, the financial impact of the market conditions is clear. Our revenue declined by 20% as margins and volumes decreased. The underlying net loss of \$56.8 million and statutory loss of \$72.7 million were very disappointing.

These difficult circumstances put a lot of pressure on CMA. However, they also galvanised your Board and management to come up with some innovative solutions to the problems we faced in order to preserve our business and ensure we were in good shape for the recovery.

The most significant development for CMA was the investment in our company by global scrap metal recycling group Scholz Invest GmbH (Scholz), which now holds approximately 42 per cent of CMA's stock. Scholz's investment in CMA is strategically important for our company. In addition to its \$60m capital investment, Scholz provides us with direct access to new markets through its position as one of the world's largest scrap metal recycling businesses.

Since our financial year ended in July, we also undertook successful capital raisings via a Share Purchase Plan and a Placement, providing an additional \$25m in capital to support CMA's ongoing operations and future growth.

Thanks to these and other measures, CMA Corporation remains in a sound financial position with good reserves on hand. This will be vital for us as we move to maximise our market position and returns as conditions improve.

At last year's Annual Meeting I said the key priority was managing cash and reducing operating costs, and that is what we have done. We took decisive action to reduce the company's capital and operating expenditure, strengthen our balance sheet and improve our operational efficiency. This was critical to preserve our revenue-generating assets and position us to emerge a stronger company.

By better managing staff numbers, overtime and salaries, we have locked in \$9m in annual savings. This not only helped cushion the impact of the recent downturn, but will also establish CMA on a more sustainable footing and an earlier path to future profitability.

We have also implemented a sustainable reduction in annual overhead costs of \$13m, through negotiating better deals with suppliers, more efficient utilisation of resources and improving the efficiency of our maintenance programs.

The introduction of tighter inventory management protocols, and significant and sustainable cost savings in other parts of our business, will be maintained as conditions return to normal.

It is also pleasing to note that our strategic decision to diversify the business has helped us deal with market volatility.

Having global operations in a range of different markets has proven to be an effective risk management tool, with some of our divisions recovering more quickly than others, helping to stabilise the business and speed up its recovery.

Our Asian and New Zealand operations in particular have recovered quickly and are leading our return to more normal operating conditions.

As we rebuild, the strategic rationale for diversification will shift from risk management to improving the depth and quality of our earnings by increasing the spread of our client base and exposure to rebounding markets.

Although much of our focus over the past year has been on defensive strategies to preserve the company's assets and reducing debt in very difficult times, we have also maintained a high level of focus on building CMA into the future.

Our vision of building an integrated global business that delivers environmentally responsible materials recycling, using innovative and sustainable technologies still drives our everyday activities.

Our integrated value chain approach gives us a strategic advantage in the market. Not only do we

have a broad range of products to offer customers, but we can also capture additional value-creation opportunities from the sale of products and by providing a unique value-adding opportunity to our clients. This is where we differentiate ourselves from others within the metal recycling industry.

To support our growth ambitions, we commissioned an upgrade to the Meretec plant in the United States, along with the installation of a rail spur and scale, direct to our loading and unloading areas.

These upgraded facilities have generated significant interest in the industrial stronghold of Chicago and I hope to report soon to you on new business driven by these changes.

During the year we completed our acquisition of the Meretec technology and CMA Corporation now owns the only two commissioned Meretec plants in the world, with a second at Ringwood in Victoria.

Our Meretec facilities have generated significant interest from organisations that are seeking an environmentally responsible and economically feasible solution to recycling their galvanised or zinc coated products. This is a trend we see continuing and growing stronger long into the future.

We have signed contracts with a number of suppliers to provide feedstock to the Meretec plants during the year and we expect the Meretec facilities to be operating at full capacity in late 2010.

In Australia and New Zealand, we invested in three new shredders to add an important additional element to our metals recycling business.

We have also invested further in our operations in Asia. The improvements made and being developed at the processing facility in Malaysia will make the operation there more efficient and improve margins in the future.

These investments in our Metals Recycling business will significantly expand the group's operating capacity and increase our ability to offer a wider range of value added products and services to customers.

As I mentioned earlier, we see environment-linked demand growing and growing – we believe CMA is very well positioned to tap into this demand.

The CMA EcoCycle business is leading the charge in Australia and New Zealand in the specialised recycling of mercury-containing wastes. CMA EcoCycle also processes silver-bearing material from x-rays, film, ores and dental amalgam once the mercury has been removed.

With communities increasingly demanding the conservation of resources and the safe disposal of hazardous products, CMA EcoCycle will continue to play a prominent role in the Group's recovery.

The contracting business was hardest hit by the global financial crisis as projects were delayed.

During the year, CMA Contracting completed a number of major projects, some of which are illustrated on the slide here.

Although the number of available projects and their pace has slowed in line with prevailing economic conditions, the division expects to participate in future tender opportunities and is on the shortlists for two significant demolition projects.

During the year, the Board decided to exit the marine demolition business, which was not a core business activity. We hope to report to you soon on the precise form of our exit.



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CMA believes that demand for high-integrity recycling services will continue to grow as governments, corporations and consumers expect more of our resources to be used sustainably and responsibly.

Of course, there are still risks to the business and we are taking prudent steps to manage these. Steel markets have recovered from the lows reached earlier this year, but are still highly volatile. Our operations in Asia and New Zealand have recovered more quickly, but eastern Australia and the United States still have much ground to make up.

The high Australian dollar is impacting our export capacity. The many new investments we have made in the future of the business still carry significant depreciation charges. We are happy to wear this as the cost of growing the business, and as time goes on these investments will realise their full value.

There is more work for us to do to secure profitability in 2010, including:

- Expanding our network of metal trading scrap yard facilities in Australia, New Zealand, Singapore, Malaysia and the United States
- Continuing the integration process so that our facilities crystallise synergies, maximise profit margins and work to together to increase value-creation opportunities
- Completing the implementation of new systems and procedures in financial reporting and control, occupational health and safety and employee development and remuneration
- Appraising and where appropriate proceeding with strategic acquisitions that create value for shareholders
- Further work on optimising our cost structure.

As the Chairman has said, given the volatility still inherent in our major markets, we feel it would not be prudent to provide profit guidance at this stage.

However, it is fair to say that we are optimistic about what we can achieve over the next twelve months and beyond. I hope and expect that this time next year I will be standing before you with a report on a far better year for CMA in 2010.

Ladies and Gentlemen thank you for your attention.