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5 July 2007

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

Dear Sirs,

ANNOUNCEMENT – Southern Recycling Settlement

We attach an Announcement for immediate release to the Market.

Yours faithfully,

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

**Patrick Raper
Company Secretary
CMA Corporation Ltd**

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CMA finalises acquisition of Southern Recycling, builds strong national footprint

CMA Corporation Limited (ASX: CMV) is pleased to announce that settlement has taken place on the \$40 million acquisition of Victoria-based Southern Recycling.

The acquisition delivers a major expansion of CMA's presence in the metal recycling sector and enhances its footprint throughout Australasia. CMA now has operations in every Australian state and territory and also in the North Island of New Zealand.

Southern Recycling has approximately 140 employees in operations around Australia with annual revenues expected to be above \$90 million. The company invests heavily in technology enabling it to offer a greater range of services and products. It is currently building a plant to remove and recover zinc coating from galvanized steel leaving a highly valued black steel scrap and a highly valuable zinc particulate, for sale into industry. Southern Recycling is the only company with access to this exciting new technology in Australasia and expects to commission the plant in early September.

CMA Managing Director Peter Hatfull said the acquisition of Southern Recycling would allow the group to make a quantum leap forward in operating and trading capacity in the metal recycling sector.

"Southern Recycling gives CMA critical mass in our operations and greatly enhanced ability to capture scale benefits," said Mr Hatfull.

"Doug Rowe has built up a state-of-the-art recycling company which is at the forefront of new recycling technology, with a superb team of management and staff. Their expertise will add significant value to CMA's existing operations above and beyond the substantial benefits arising from the business acquisition.

"Our truly national network also provides us with opportunity to snare bigger volumes and to aggregate metal shipments for specific client needs."

Mr Hatfull said the Southern Recycling acquisition set the platform for a significant boost in revenue and earnings in FY08.

The Southern Recycling acquisition was funded through the issue of shares to founder Doug Rowe and part proceeds from the recently completed \$37 million Entitlement Issue.

The Entitlement Issue was fully underwritten by BBY Limited and Pitt Capital Partners Limited.

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For more information please contact:

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