

SYDNEY  
Level 20, 56 Pitt Street  
Sydney NSW 2000  
Phone +61 2 9270 1500  
Fax +61 2 9270 1501  
www.cmacorp.com.au



1 June 2007

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

Dear Sirs,

**ANNOUNCEMENT – Entitlement Offer**

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 extending from the end of the signature.

**Patrick Raper  
Company Secretary  
CMA Corporation Ltd**

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1 June 2007

Dear CMA Shareholder

CMA announced on 1 February 2007 that it had entered into an agreement to acquire the entire issued share capital of Universal Metals Pty Ltd (**Universal Metals**), the holding company of the Australian scrap and secondary metal recycling group, Southern Recycling (the **Acquisition**). The Acquisition was subject to shareholder approval amongst other things.

I am pleased to confirm that the shareholders of CMA overwhelmingly approved this acquisition at the Extraordinary General Meeting held on 1 June 2007 and I thank you for your support in this vote. The Acquisition is very exciting for CMA and will assist us in achieving our goal of becoming a major force within the Australian recycling industry.

On behalf of the Board, I am now pleased to invite you to participate in a pro-rata Entitlement Offer of Shares (**Entitlement Offer**) in the capital of CMA. The Entitlement Offer will raise gross proceeds of \$37,083,145 which will be used to fund the cash consideration payable by CMA for the Acquisition, to meet the costs of that transaction and to fund CMA's general working capital requirements (which includes financing of smaller acquisitions).

Under the Entitlement Offer, CMA shareholders resident in Australia and New Zealand will be entitled to acquire 3 new shares in CMA for every 4 existing CMA shares held by them on the Record Date (being 5:00pm Perth time on 13 June 2007) at a price of \$0.32 per New Share. Entitlements are non-renounceable and cannot be transferred. The new CMA shares will, from their date of issue, rank equally with existing CMA shares.

The Entitlement Offer is underwritten by BBY Limited and Pitt Capital Partners Limited. Further details of the underwriting are set out in the Prospectus, which will be sent to shareholders together with an Entitlement and Acceptance Form on 15 June 2007. The Prospectus has been lodged with the ASX, and an electronic copy (without the Entitlement and Acceptance Form) is available on the Company's website ([www.cmacorp.com.au](http://www.cmacorp.com.au)) and on the ASX website ([www.asx.com.au](http://www.asx.com.au)).

For your convenience, I attach a summary of key statistics relating to the Entitlement Offer and a timetable of key dates.

I encourage you to read the Prospectus carefully, in conjunction with the other publicly available information previously disclosed by CMA to the ASX, before deciding whether or not to take up your Entitlement.

If you are an eligible shareholder and intend to take up your Entitlement, you must ensure that your Entitlement and Acceptance Form is received by Computershare in Perth by the currently scheduled closing date of 5:00pm (Perth time) on Friday, 29 June 2007. Details of how to submit your Entitlement and Acceptance Form will be provided in section 5 of the Prospectus to be mailed to you on 15 June.

On behalf of the Board, I thank you for your continued support as a CMA Shareholder and I commend this Entitlement Offer to you.

Yours faithfully

A handwritten signature in black ink that reads 'Alan Good'.

**Alan Good, Chairman**

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## CMA Corporation Limited - Entitlement Offer Prospectus – 29 May 2007

Please ensure you read the Prospectus for full details of the Offer including critical dates.

### Key Offer Statistics

Offer Price	\$0.32 per New Share
Entitlement ratio	3 New Shares for every 4 Existing Shares held on the Record Date
Total Number of New Shares to be offered	115,884,829
Gross proceeds of the Entitlement Offer	\$37,083,145

After completion of the Acquisition and the Entitlement Offer, there will be a total of 317,272,934 CMA shares on issue, which includes 46,875,000 CMA shares to be issued at \$0.32 to Mr Douglas Rowe, the vendor under the Southern Recycling acquisition agreement.

### Summary of Key Dates

Shares quoted ex Entitlements	6 June 2007
Record Date to determine Entitlements	5.00 pm Perth time, 13 June 2007
Despatch of Prospectus	15 June 2007
Despatch of Entitlement and Acceptance Form	15 June 2007
Closing Date for acceptances	5.00 pm Perth time, 29 June 2007
Allotment Date	4 July 2007
Despatch of shareholding statements	4 July 2007
Normal trading of New Shares expected to commence	5 July 2007

*This timetable is indicative only. CMA, in consultation with the Underwriters, reserves the right to amend any or all of these dates and times without notice, subject to the requirements of the Corporations Act, the Listing Rules and any other applicable laws. The commencement of quotation of the New Shares is subject to confirmation from the ASX.*