

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



2 February 2007

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

Dear Sirs,

**ANNOUNCEMENT – CMA Half-Year Report, 31 December 2006**

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 stroke extending from the bottom of the signature.

**Patrick Raper  
Company Secretary  
CMA Corporation Limited**

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Half Year Report  
31 December 2006





**CMA CORPORATION LIMITED**  
**ABN 40 113 329 016**  
**And Controlled Entities**

**Financial Statements**  
**For the Half Year**  
**From 1 July 2006 to 31 December 2006**

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

**APPENDIX 4D – HALF YEAR REPORT**  
**RESULTS FOR ANNOUNCEMENT TO THE MARKET**

**1. Reporting Period**

- The current reporting period is the six months from 1 July 2006 to 31 December 2006.
- The previous corresponding period is the six months from 1 July 2005 to 31 December 2005, except for Balance Sheet items, for which the applicable comparative date is the end of the immediately preceding annual reporting period, being 30 June 2006.
- The financial report has been prepared in accordance with AIFRS.
- The financial report has been prepared in Australian dollars.

**2. Results for the Period**

		<b>2006</b>	<b>2005</b>	<b>Movement</b>	<b>Movement</b>
		<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>%</b>
2.1	Revenue from ordinary activities	104,032	37,324	66,708	178.7%
2.2	Profit from ordinary activities after tax	2,878	274	2,604	950.4%
2.3	Net profit attributable to members	2,878	274	2,604	950.4%
		<b>\$</b>	<b>\$</b>		
2.4	Dividends				
	Franked amount per security				
	- Interim dividend	-	-		
	- Final dividend	-	0.01		

As at the date of this report, the Directors have not proposed that any dividend be declared in relation to the half year ended 31 December 2006.

- 2.5 There was no final dividend paid in relation to the financial year ended 30 June 2006, and consequently a record date for determining entitlements is not applicable. The record date for determining entitlements to the final dividend paid in relation to the financial period ended 30 June 2005 was 30 September 2005.

- 2.6 Comments on the Report

Please refer to the Review of Operations contained within the Directors' Report for commentary on the Economic Entity's activities and performance during the half year ended 31 December 2006.

**3. Net Tangible Assets per Security**

	<b>2006</b>	<b>2005</b>
Net tangible assets per security (cents per share)	13.0	13.1

**4. Gain or Loss of Control over Entities**

There have not been any changes in the composition of the Economic Entity during the half year ended 31 December 2006 and up to the date of this report.

The acquisitions made during the half year were acquisitions of businesses rather than purchases of companies.

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

<b>APPENDIX 4D – HALF YEAR REPORT RESULTS FOR ANNOUNCEMENT TO THE MARKET</b>
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**5. Dividends**

Details of the dividend payments made by the Company are set out in Note 3 to the financial report.

**6. Dividend or Distribution Reinvestment Plans**

The Company does not have a dividend or distribution reinvestment plan in place at the date of this report.

**7. Details of Associates and Joint Venture Entities**

The Company did not hold any direct or indirect interests in associates or joint venture entities at 31 December 2006 or the prior comparative reporting date.

**8. Foreign Entities**

The accounting standards used in compiling the financial report are Australian Equivalents to International Financial Reporting Standards (AIFRS). The Economic Entity includes entities in New Zealand; the financial information of the New Zealand subsidiaries included in the consolidated financial report reflects application of AIFRS and thus accounting treatment is consistent across the Economic Entity.

**9. Dispute or Qualification arising from Review**

No dispute or qualification has arisen from the review of the financial report by the auditors of the Economic Entity.

The information in this report and the accompanying financial report has been reviewed by the Economic Entity's auditors. No dispute or qualification has arisen from the review of the financial report by the auditors of the Economic Entity.

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

**DIRECTORS' REPORT**

Your directors present their report on the Economic Entity for the half year ended 31 December 2006.

**Directors**

The names of directors in office at any time during or since the end of the half year are:

Alan Good	Non-Executive Independent Chairman
Peter Hatfull	Managing Director
Joseph Tong Hong Chung	Non-Executive Director
Rob Moltoni	Non-Executive Director
John Crabb	Non-Executive Independent Director

**Review of Operations**

**Corporate**

CMA has undergone significant growth during the half year ended 31 December 2006, and is making strong progress towards achieving key business strategies. In particular, improvements in the scale and profitability of business activities have been made, predominantly in the scrap metal trading division.

The CMA Group has continued its expansion activities, with two new businesses, one in each of the divisions, acquired during the half year. Both have been integrated with existing operations and have made a positive net profit contribution to the consolidated 31 December result. Further growth through targeted acquisition remains a key strategy of the Group. On 1 February 2007 it was announced that CMA has entered into a conditional agreement to acquire Southern Recycling, a private scrap metal trading and processing group based in Melbourne and with operations across Australia. Upon successful completion of the due diligence process, capital raising activities and shareholder approval, this potential addition to the CMA Group is expected to complement and expand existing operations.

An internal auditor with extensive metal industry experience was appointed during the half year, to review and report on procedural compliance at all locations, and make recommendations for future change. This new role demonstrates CMA's ongoing commitment to strengthening operational controls and ensuring consistency across the group.

**Scrap Metal Trading**

The scrap metal trading division sources material both from external suppliers and the demolition and remediation contract services division. A significant portion of the sales are exports to Asia.

During the half year the division has significantly increased its sales volumes and revenue. This has been achieved through both the additional capacity generated by investment in new businesses, new facilities and equipment in the 2006 financial year, and the organic expansion of the initial core business.

The expansion of the scrap metal trading division has continued, with the acquisition on 20 October 2006 of the Triumph United business, a scrap metal trading yard located in Port Hedland, W.A. This provides a key export point for scrap metal generated by the high levels of demolition and industrial activity occurring in the Pilbarra region, including some of CMA's major contracting sites. Internally generated expansion of the division is also underway, with a scrap metal trading yard currently being established in Queensland at premises shared with the newly acquired asbestos contracting business, a further yard in Adelaide and the relocation of the Newcastle yard to Tomago.

**Demolition and Remediation Contract Services**

CMA's demolition and remediation contract services include the demolition of large industrial facilities on behalf of some of Australia's leading companies. The facilities are remediated by the deconstruction and subsequent disposal of materials from the contract sites and, where necessary, treatment of contaminated conditions on site.

The results of the division have been negatively impacted during the half year ended 31 December 2006 by the continuation of pre-existing issues on a major marine project being undertaken in Western Australia. The complexity of the project, combined with the highly challenging physical environment, has resulted in delays and cost overruns. A number of other new projects commenced during the half year and are progressing in line with expectations.

Additional cost saving initiatives have also been implemented in the division during the half year, including the centralisation of operations management and support personnel at the CMA Group head office. New information systems have also been put in place, and will assist in strengthening project management and cost control.

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

<b>DIRECTORS' REPORT</b>
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The demolition and remediation contract services division has also undergone expansion with the acquisition of the T & T Metal & Asbestos Services (Queensland) Pty Limited business on 30 October 2006. This business, which was previously independent of the CMA Group, has an established history in providing asbestos contracting services to the Queensland market, and is anticipated to contribute a reliable income stream to the division.

**Australian Equivalents to IFRS**

This interim financial report has been prepared under Australian equivalents to IFRS (AIFRS).

**After Balance Date Events**

On 1 February 2007, CMA Corporation Limited announced that a share sale agreement has been signed in relation to the planned future acquisition of Southern Recycling, a scrap metal trading and processing group in Melbourne. Finalisation of this acquisition is contingent on the successful completion of due diligence, shareholder approval and capital raising activities, which are in progress as at the date of this report.

**Rounding of Amounts**

The amounts contained in the half year 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.

**Auditor's Declaration**

The independence declaration obtained from our auditors, PKF, is set out on page 3.

Signed in accordance with a resolution of the Board of Directors.



**Peter Hatfull**  
**Managing Director**

Dated this 2 February 2007

LEAD AUDITOR'S INDEPENDENCE DECLARATION



Chartered Accountants  
& Business Advisers

**AUDITOR'S INDEPENDENCE DECLARATION**

To the Directors of CMA Corporation Limited:

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2006, there have been:

- i. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

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PKF

A handwritten signature in blue ink, appearing to read 'AM', with a horizontal line extending to the right.

Arthur Milner  
Partner

Sydney, 2nd February 2007



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

**CONSOLIDATED INCOME STATEMENT**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

		<b>Economic Entity</b>	
	<b>Note</b>	<b>2006</b>	<b>2005</b>
		<b>\$000</b>	<b>\$000</b>
Revenue	<b>2</b>	103,913	37,391
Other income	<b>2</b>	119	(67)
Changes in inventories of finished goods and work in progress		1,479	11,036
Inventories used		(59,279)	(19,881)
Employee benefits expense		(11,486)	(7,226)
Contractors, consultants & professional fees		(5,483)	(7,285)
Equipment expense		(7,041)	(5,430)
Transport expense		(8,313)	(3,984)
Office and yard rent expense		(2,063)	(1,006)
Travel expense		(1,611)	(615)
Communications and IT expense		(512)	(223)
Insurance expense		(783)	(339)
Other general and admin expense		(725)	(321)
Depreciation and amortisation expense		(2,340)	(1,231)
Finance costs		(1,598)	(474)
Profit before income tax		4,277	345
Income tax expense		(1,399)	(71)
Profit for the period		2,878	274
Profit attributable to members of the parent entity		2,878	274
Basic earnings per share (cents per share)		2.0	0.2
Diluted earnings per share (cents per share)		2.0	0.2

*The accompanying Notes form part of these Financial Statements*

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

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2006**

		<b>Economic Entity</b>	
	<b>Note</b>	<b>Dec 2006</b>	<b>Jun 2006</b>
		<b>\$000</b>	<b>\$000</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	<b>4</b>	5,801	2,936
Trade and other receivables		25,261	22,164
Inventories		16,141	14,513
Other assets		1,115	2,481
<b>Total Current Assets</b>		<b>48,318</b>	<b>42,094</b>
<b>Non-Current Assets</b>			
Financial assets	<b>5</b>	525	-
Property plant and equipment		30,285	25,270
Deferred tax assets		720	787
Intangible assets	<b>6</b>	30,828	29,660
<b>Total Non-Current Assets</b>		<b>62,358</b>	<b>55,717</b>
<b>TOTAL ASSETS</b>		<b>110,676</b>	<b>97,811</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		16,927	15,255
Short-term borrowings		6,674	7,487
Current tax liabilities		1,333	35
Short-term provisions		819	757
Other		-	44
<b>Total Current Liabilities</b>		<b>25,753</b>	<b>23,578</b>
<b>Non-Current Liabilities</b>			
Long-term borrowings		34,295	28,133
Deferred tax liabilities		709	748
Other long-term provisions		197	216
<b>Total Non-Current Liabilities</b>		<b>35,201</b>	<b>29,097</b>
<b>TOTAL LIABILITIES</b>		<b>60,954</b>	<b>52,675</b>
<b>NET ASSETS</b>		<b>49,722</b>	<b>45,136</b>
<b>EQUITY</b>			
Issued capital	<b>7</b>	43,332	42,282
Retained earnings		6,295	3,417
Other reserves		95	(563)
<b>Parent Interest</b>		<b>49,722</b>	<b>45,136</b>
<b>TOTAL EQUITY</b>		<b>49,722</b>	<b>45,136</b>

*The accompanying Notes form part of these Financial Statements*

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**AS AT 31 DECEMBER 2006**

<b>Economic Entity</b>	<b>Ordinary Share Capital</b>	<b>Retained Earnings</b>	<b>Other Reserves</b>	<b>Total</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>At 1 July 2005</b>	24,705	3,006	-	27,711
Shares issued during the period	11,752	-	-	11,752
Costs associated with shares issued during the period	(1,116)	-	-	(1,116)
Dividends paid during the period	-	(1,285)	-	(1,285)
Profit attributable to members of parent entity	-	274	-	274
<b>At 31 December 2005</b>	<b>35,341</b>	<b>1,995</b>	<b>-</b>	<b>37,336</b>
<b>At 1 July 2006</b>	42,282	3,417	(563)	45,136
Shares issued during the period	1,050	-	-	1,050
Cost associated with shares issued during the period	-	-	-	-
Dividends paid during the period	-	-	-	-
Profit attributable to members of parent entity	-	2,878	-	2,878
Exchange differences on translation of foreign operations	-	-	658	658
<b>At 31 December 2006</b>	<b>43,332</b>	<b>6,295</b>	<b>95</b>	<b>49,722</b>

*The accompanying Notes form part of these Financial Statements*

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

**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

	Note	Economic Entity	
		Dec 2006	Dec 2005
		\$000	\$000
<b>Cash flows from Operating Activities</b>			
Receipts from customers		111,049	39,569
Payments to suppliers and employees		(104,452)	(46,614)
Interest received		82	63
Finance costs		(1,598)	(474)
Income tax paid		(52)	(943)
Net cash provided by / (used in) operating activities		5,029	(8,399)
<b>Cash flows from Investing Activities</b>			
Proceeds from sale of property, plant and equipment		234	250
Purchase of property, plant and equipment		(6,681)	(4,787)
Outlays in respect of acquisition of businesses and subsidiaries		(1,065)	(1,828)
Net cash (used in) investing activities		(7,512)	(6,365)
<b>Cash flows from Financing Activities</b>			
Proceeds from issue of shares		-	9,000
Outlays in respect of share issue		-	(1,116)
Proceeds from borrowings		13,675	14,686
Repayment of borrowings		(8,877)	(6,013)
Dividends paid		-	(1,285)
Net cash provided by financing activities		4,798	15,272
Net increase in cash held		2,315	508
Cash at beginning of financial period		861	2,188
Cash at end of financial period	4	3,176	2,696

*The accompanying Notes form part of these Financial Statements*



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

<b>NOTES TO THE FINANCIAL STATEMENTS</b> <b>FOR THE HALF YEAR ENDED 31 DECEMBER 2006</b>
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**Note 1: Basis of Preparation of the Half Year Financial Report**

**a. Basis of Accounting**

The half year 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 half year 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.

For the purpose of preparing the half year financial report, the half year has been treated as a discrete reporting period.

**b. Statement of Compliance**

The half year financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standard AASB 134 "Interim Financial Reporting" and other mandatory professional reporting and statutory requirements including the applicable ASX listing rules pertaining to Appendix 4D.

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the economic entity as the full financial report.

The half year financial report should be read in conjunction with the annual financial report of CMA Corporation Limited as at 30 June 2006. It is also recommended that the half year financial report be considered together with any public announcements made by CMA Corporation Limited and its controlled entities during the half year ended 31 December 2006 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001* and the Listing Rules of the ASX.

**c. Changes in Accounting Policy**

There have not been any changes in accounting policies, estimation methods or measurement bases since the 30 June 2006 annual financial report. Accounting policies are applied consistently throughout the Economic Entity.

**d. Comparative Figures**

The previous corresponding financial period was the half year from 1 July 2005 to 31 December 2005.

Where necessary, comparatives have been reclassified and repositioned for consistency with current period disclosures.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

	Dec 06	Dec 05
	\$000	\$000

**Note 2: Profit from Ordinary Activities**

The following revenue and expense items are relevant in explaining the financial performance for the half year:

**Operating Activities**

Sale of goods and services	88,412	24,290
Contract revenue	15,501	13,101
Total revenues from operating activities	103,913	37,391

**Non-operating Activities**

Interest received from other persons	82	63
Other revenue	53	4
Loss/(gain) on disposal of property, plant and equipment	(16)	(134)
Total revenues from non-operating activities	119	(67)
Total revenues from ordinary activities	104,032	37,324

**Note 3: Dividends Paid and Proposed**

**Equity Dividends on Ordinary Shares**

**a. Dividends paid during the half year**

Final fully franked dividend for financial year 30 June 2006	-	1,285
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**b. Dividends proposed**

The directors have not proposed an interim dividend as at the date of this report (prior year interim dividend: Nil).

	Dec 06	Jun 06
	\$000	\$000

**Note 4: Cash and Cash Equivalents**

Cash at bank and on hand	5,801	2,936
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	Dec 06	Dec 05
	\$000	\$000

**Reconciliation of Cash**

Cash at the end of the financial period as shown in the statement of cash flows is reconciled to items in the Balance Sheet as follows:

Cash and cash equivalents	5,801	2,696
Bank overdrafts	(2,625)	-
	3,176	2,696

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

	Dec 06	Jun 06
	\$000	\$000
<b>Note 5: Other Financial Assets (Non-Current)</b>		
<b>Unlisted Investments, at Cost</b>		
Shares in unlisted entity	525	-

**Note 6: Intangible Assets**

**Goodwill**

Balance at the beginning of the period	29,660	16,469
Additions - goodwill arising on acquisition of businesses and subsidiaries	1,168	13,191
Disposals	-	-
Impairment losses	-	-
Carrying amount at the end of the period	30,828	29,660
Total intangibles	30,828	29,660

**Note 7: Issued Capital**

**Ordinary Shares**

Issued and fully paid	43,332	42,282
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	Dec 06	Jun 06	Dec 06	Jun 06
	\$000	\$000	Shares	Shares
Movements in ordinary shares on issue				
At the beginning of the reporting period	42,282	24,705	142,454,649	106,000,004
Shares issued during the period				
- 8 July 2005		9,000		22,500,000
- 21 November 2005		2,752		3,875,969
- 1 January 2006		6,853		10,078,676
- 6 July 2006	100		343,520	
- 20 October 2006	148		415,002	
- 31 October 2006	800		2,469,233	
- 7 December 2006	2		6,346	
Less transaction costs		(1,028)	-	-
At the end of the reporting period	43,332	42,282	145,688,750	142,454,649

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

**Note 8: Segment Reporting**

**Business Segments**

The following table presents the revenue and profit information regarding business segments for the half year ended 31 December:

	<b>Contract Services</b>	<b>Scrap Metal Trading</b>	<b>Unallocated/ Elimination</b>	<b>Total</b>
<b>Dec 06</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Revenue</b>				
Segment revenue	17,468	89,400	(2,955)	103,913
Other revenue	(73)	109	1	37
Interest revenue	-	-	82	82
Total revenue from ordinary activities	17,395	89,509	(2,872)	104,032
<b>Result</b>				
Segment result	(31)	7,505	(1,599)	5,875
Borrowing costs	-	-	(1,598)	(1,598)
Profit from ordinary activities before income tax expense				4,277
Income tax expense				(1,399)
Net profit				2,878
<b>Dec 05</b>				
<b>Revenue</b>				
Segment revenue	23,429	22,140	(8,178)	37,391
Other revenue	(125)	(9)	4	(130)
Interest revenue			63	63
Total revenue from ordinary activities	23,304	22,131	(8,111)	37,324
<b>Result</b>				
Segment result	2,605	394	(2,180)	819
Borrowing costs	-	-	(474)	(474)
Profit from ordinary activities before income tax expense				345
Income tax expense				(71)
Net profit				274



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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

**Note 9: Change in Composition of Entity**

**a. Acquisition of Business from Triumph United Pty Limited**

On 20 October 2006, CMA Metals Pty Limited, a wholly owned subsidiary of CMA Corporation Limited, acquired the assets and business of Triumph United Pty Limited. Triumph United Pty Limited is a scrap metal trading business located in Port Hedland, Western Australia.

In connection with the business combination, CMA Metals Pty Limited has paid \$574,000, comprising 421,348 issued ordinary shares in CMA Corporation Limited with a fair value of 35.6 cents each, and cash payments totalling \$424,000. The fair value of shares issued reflects the share price on the date of the acquisition.

The acquired business has contributed revenues of \$1,739,000 and net profit of \$128,000 to the Economic Entity during the period from 20 October 2006 to 31 December 2006.

Details of the fair value of the identifiable assets and liabilities as at the date of acquisition, and the goodwill acquired are as follows:

	<b>\$000</b>
Property, plant and equipment	378
Fair value of net assets	378
Goodwill arising on acquisition	196
<b>Total</b>	<b>574</b>

The assets arising from the acquisition are recognised at fair values which are equal to their carrying value at acquisition date. The goodwill is attributable to the high profitability of the acquired business.

	<b>Dec 06</b>
	<b>\$000</b>
<b>Purchase Consideration</b>	
Ordinary shares issued	150
Cash consideration	424
Costs associated with the acquisition	-
<b>Total consideration</b>	<b>574</b>

The cash outflow on acquisition is as follows:

Net cash acquired with business	-
Cash consideration	424
<b>Net cash outflow</b>	<b>424</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

**Note 9: Change in Composition of Entity (continued)**

**b. Acquisition of Business from T & T Metal & Asbestos Services (Queensland) Pty Limited**

On 31 October 2006, T & T Metal & Asbestos Services Pty Limited, a wholly owned subsidiary of CMA Corporation Limited, acquired the assets and business of T & T Metal & Asbestos Services (Queensland) Pty Limited. T & T Metal & Asbestos Services (Queensland) Pty Limited is an asbestos contracting business located in Brisbane, and is not a related party of the CMA Group.

In connection with the business combination, T & T Metal & Asbestos Services Pty Limited has paid \$1,546,990, comprising 2,469,233 issued ordinary shares in CMA Corporation Limited with a fair value of 32.4 cents each, and cash payments totalling \$746,990. The fair value of shares issued reflects the share price on the date of the acquisition.

The acquired business has contributed revenues of \$967,000 and net profit of \$73,000 to the Economic Entity during the period from 31 October 2006 to 31 December 2006.

Details of the fair value of the identifiable assets and liabilities as at the date of acquisition, and the goodwill acquired are as follows:

	<b>\$000</b>
Receivable from vendor	71
Deferred tax asset	21
Employee benefits	(71)
Property, plant and equipment	547
Fair value of net assets	568
Goodwill arising on acquisition	979
<b>Total</b>	<b>1,547</b>

The assets arising from the acquisition are recognised at fair values which are equal to their carrying value at acquisition date. The goodwill is attributable to the high profitability of the acquired business.

	<b>Dec 06</b>
	<b>\$000</b>
<b>Purchase Consideration</b>	
Ordinary shares issued	800
Cash consideration	747
Costs associated with the acquisition	-
<b>Total consideration</b>	<b>1,547</b>

The cash outflow on acquisition is as follows:

Net cash acquired with business	-
Cash consideration	747
Receivable from vendor	(71)
<b>Net cash outflow</b>	<b>676</b>

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

<b>NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2006</b>
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**Note 10: Contingent Liabilities**

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

**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 range from one to approximately three years.

Dec 06	Jun 06
\$000	\$000
2,797	4,204

**b. Related Party Guarantees provided by the Economic Entity**

Cross guarantees have been provided between the Company and its wholly owned subsidiaries in Australia in relation to the banking facilities of each entity.

No deficiency of net assets existed in the controlled entities at 31 December 2006.

**Note 11: Events Subsequent to Reporting Date**

On 1 February 2007, CMA Corporation Limited announced that a share sale agreement has been signed in relation to the planned future acquisition of Southern Rocycling, a scrap metal trading and processing group in Melbourne. Finalisation of this acquisition is contingent on the successful completion of due diligence, shareholder approval and capital raising activities, which are in progress as at the date of this report.

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

**DIRECTORS' DECLARATION**

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 1 to 14:
  - a. comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations; and
  - b. give a true and fair view of the economic entity's financial position as at 31 December 2006 and of its performance for the half year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



**Peter Hatfull**  
**Managing Director**

Dated this 2 February 2007





Chartered Accountants  
& Business Advisers

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of CMA Corporation Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of CMA Corporation Limited, which comprises the balance sheet as at 31 December 2006, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies on page 8, other selected explanatory notes and the directors' declaration as set out on pages 9 to 15.

#### *Directors' Responsibility for the Half-Year Financial Report*

The directors of CMA Corporation Limited are responsible for the presentation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of company financial position as at 31 December 2006 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of CMA Corporation Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Tel: 61 2 9251 4100 | Fax: 61 2 9240 9821 | [www.pkf.com.au](http://www.pkf.com.au)  
PKF | ABN 63 236 985 726  
Level 10, 1 Margaret Street | Sydney | New South Wales 2000 | Australia  
DX 10173 | Sydney Stock Exchange | New South Wales

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

<b>INDEPENDENT REVIEW REPORT TO THE MEMBERS OF CMA CORPORATION LIMITED</b>
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*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of CMA Corporation Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2006 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

*PKF*

PKF

*AM*

**ARTHUR MILNER**  
Partner

Sydney, 2nd February 2007



