



## Structural Systems

Engineers & Contractors

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### Market Update

As previously announced, Structural Systems Limited forecast a loss for the first half of the 2004 financial year. The Company today confirms that the result for the six months to 31 December 2003 is a loss of approximately \$8.9 million

The result is largely attributable to the two businesses that the Board has previously advised are in the process of being closed: Fastform Systems (\$7.3 million) and Total Fire Protection (\$2.5 million).

Approximately \$5.9 million of the total loss results from the provision for a number of unresolved claims as doubtful debts within Fastform and Total Fire Protection. These claims are still to be finalised and if any funds are realised by the Company this would represent a positive write back to profit. The Board is committed to pursuing these debts.

With the decision made to not continue with the contracting section of Total Fire Protection the Board has decided to fully write off the carrying value of goodwill. The loss for Total Fire Protection includes this write off as well as redundancy expenses, business closure costs and provision for expected costs in relation to the completion of remaining works.

Total Fire Protection's remaining contract is forecast to be completed by April 2004.

Fastform Systems' remaining contract is forecast to be completed by March 2004.

The Board has decided to adopt this conservative approach to enable the Executive team to focus its attention on a return to profitable trading and the future growth of the Company.

The Board is confident that its previously announced forecast of a return to profitable trading in the second half of 2003/04 is still accurate. The Company has in excess of \$70 million work in hand. It has profitable projects underway in all states of mainland Australia as well as the UAE and UK. The type of works being completed include structure packages, post tensioning, reo fixing, remedial, ground support systems and mining infrastructure works and hire of construction equipment. These works are representative of the type of services that the Company is able to offer to its clients in the construction, engineering, remedial and mining sectors.

### Banking Facilities

The Board is pleased to announce that the National Australia Bank (NAB) continues to support the Company and has agreed to renew banking facilities to the Group. The Company intends to reduce term debt facilities currently provided by the NAB with funds raised by way of a rights issue.

### Capital Raising – Rights Issue

The Company intends to raise approximately \$5.7 million by way of a convertible note rights issue.

The Board is currently finalising terms with JM Financial Group to underwrite this rights issue. The rights issue offer is intended to be one convertible note for every two shares held by shareholders with an attaching option granted if converted early.

The proceeds of the rights issue will be used to retire term debt currently provided by the NAB.

For further information please contact Robert Freedman (08) 9331 4500 or David Perry (03) 9646 7622.

Bob Freedman  
Managing Director.