

**STRUCTURAL SYSTEMS LIMITED
ABN 57 006 413 574
AND CONTROLLED ENTITIES**

**FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2004**

**STRUCTURAL SYSTEMS LIMITED ABN 57 006 413 574
AND CONTROLLED ENTITIES**

INTERIM FINANCIAL REPORT

DIRECTORS' REPORT

The directors of Structural Systems Limited present their report on the economic entity for the half-year ended 31 December 2004.

Directors

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

Bruce A Crome

Robert W Freedman

David R Perry

Ian L Fraser

Review of Operations

The half year operating profit before tax was \$1.35 million. The after tax and outside equity interests result was \$1.096 million on revenue of \$48.698 million. No interim dividend has been declared.

The result includes for the share of profits from overseas operations that was accounted for using the equity method. These overseas businesses contributed \$201, 000 to the Group's result. It is expected that off shore operations will continue to contribute positively to future earnings.

All trading entities within the Group traded profitably within the period. The Board is confident that it has achieved the right balance of exposure to different market sectors within the Group's operations. Work in hand remains at high levels.

Auditor's Independence Declaration

The Auditor's Independence Declaration on page 11 forms part of the Director's Report for the half year ended 31 December 2004.

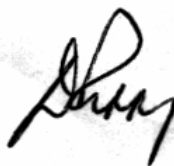
Rounding of Amounts

The economic entity has applied the relief available to it in ASIC Class Order 98/100 and accordingly certain amounts in the financial report and the directors' report have been rounded off to the nearest \$1,000.

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



R.W. Freedman
Director



D.R. Perry
Director

Dated: 23 February 2005

**STRUCTURAL SYSTEMS LIMITED ABN 57 006 413 574
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE HALF YEAR ENDED 31 DECEMBER 2004**

	31 December 2004 \$'000	31 December 2003 \$'000
Revenue from sales and services	47,653	35,459
Other Revenue (Note 2)	1,045	594
Revenue from Ordinary Activities	48,698	36,053
Raw materials and consumables used for sale of goods	(1,037)	(1,616)
Construction and servicing costs	(43,458)	(35,957)
Change in inventories and raw materials	1,792	(1,357)
Other expenses from ordinary activities (Note 2)	(2,888)	(4,082)
Depreciation and amortisation of goodwill	(1,254)	(1,278)
Borrowing costs	(704)	(582)
Share of net profits of associates and joint ventures accounted for using the equity method	201	-
Profit (loss) from ordinary activities before income tax expense	1,350	(8,819)
Income tax expense relating to ordinary activities	(230)	(396)
Net profit (loss) from ordinary activities after income tax expense	1,120	(9,215)
Net profit attributable to outside equity interests	(24)	(30)
Net profit (loss) for the period attributable to members of the parent entity	1,096	(9,245)
Net exchange differences on translation of financial statements of self sustaining foreign operations	-	-
Total changes in equity other than those resulting from transactions with owners as owners	1,096	(9,245)
Basic EPS	4.3 cents	(36.3) cents
Diluted EPS	3.7 cents	(35.1) cents

The accompanying notes form part of these financial statements

STRUCTURAL SYSTEMS LIMITED AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2004

	31 December 2004 \$'000	30 June 2004 \$'000
Current assets		
Cash	941	260
Receivables	16,636	19,168
Inventories	6,142	4,350
Other	1,378	551
Total current assets	25,097	24,329
Non-current assets		
Other financial assets	24	24
Investments accounted for using the Equity Method	201	-
Property, plant and equipment	11,888	10,851
Intangible assets	1,924	2,005
Deferred tax assets	1,085	1,128
Total non-current assets	15,122	14,008
Total assets	40,219	38,337
Current liabilities		
Payables	14,374	14,438
Interest bearing liabilities	3,069	2,264
Current tax liabilities	197	339
Provisions	2,089	2,256
Total current liabilities	19,729	19,297
Non-current liabilities		
Interest bearing liabilities	9,002	8,634
Deferred tax liabilities	807	833
Provisions		14
Total non-current liabilities	9,809	9,481
Total liabilities	29,538	28,778
Net assets	10,681	9,559
Equity		
Contributed equity	15,059	15,056
Reserves	1,602	1,602
(Accumulated losses) Retained profits	(6,259)	(7,355)
Parent entity interests	10,402	9,303
Outside equity interests	279	256
Total equity	10,681	9,559

The accompanying notes form part of these financial statements

STRUCTURAL SYSTEMS LIMITED AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2004

	31 December 2004 \$'000	31 December 2003 \$'000
Cash flows from operating activities		
Cash receipts in the course of operations	54,938	49,873
Cash payments in the course of operations	(50,760)	(47,348)
Interest received	158	-
Borrowing costs paid	(888)	(582)
Income taxes paid	(327)	(129)
Net cash provided by (used in) operating activities	3,121	1,814
Cash flows from investing activities		
Proceeds from sale of service division, Total Fire Protection	-	551
Payment for purchases of property, plant and equipment	(1,313)	(88)
Proceeds from sale of property, plant and equipment	1,045	43
Net cash provided by (used in) investing activities	(268)	506
Cash flows from financing activities		
Proceeds from issues of shares	-	-
Proceeds from borrowings	-	450
Repayment of borrowings	(268)	(38)
Lease and lease purchase payments	(677)	(728)
Net cash provided by (used in) financing activities	(945)	(316)
Net increase (decrease) in cash held	1,908	2,004
Cash at beginning of period	(967)	(4,888)
Exchange rate adjustments to cash at beginning of period	-	-
Cash at end of period	941	(2,884)

The accompanying notes form part of these financial statements

STRUCTURAL SYSTEMS LIMITED AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2004

31 Dec 04 **31 Dec 03**
\$'000 **\$'000**

1 BASIS OF PREPARATION

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB 1029: Interim Financial Reporting, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2004 and any public announcements made by Structural Systems Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the entities in the economic entity and are consistent with those applied in the 30 June 2004 annual report.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

2 PROFIT (LOSS) FROM ORDINARY ACTIVITIES

The following revenue (expense) items are relevant in explaining the financial performance for the interim period:

Proceeds from sale of service division, Total Fire Protection (TFP)	-	551
Goodwill written off as future benefits are no longer recoverable – Total Fire Protection	-	(935)
Redundancy costs – Total Fire Protection	-	(120)
Claims subject to dispute – TFP & Fastform Systems	-	(5,939)
Proceeds from disposal of property, plant & equipment	1,045	43

**STRUCTURAL SYSTEMS LIMITED AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2004**

3 DIVIDENDS PAID OR PROPOSED

No dividends were paid or proposed during the period.
(2003: Nil)

4 CONTINGENT LIABILITIES

There have been no significant changes in contingent liabilities since the last annual reporting date, except for a reduction in contract performance guarantees of \$616,869.

5 EVENTS SUBSEQUENT TO REPORTING DATE

There were no material events subsequent to the end of the interim period that have not been recognised in the interim financial statements.

6 DISCONTINUING OPERATIONS

During the period, Total Fire Protection completed its contractual obligations and wound down its operations.

The carrying amounts of assets and liabilities of Total Fire Protection at 31 December 2004 were:

	\$'000
Total assets	16
Total liabilities	<u>(58)</u>
Net assets (liabilities)	(42)
Less: Inter-company balances	<u>(5,741)</u>
Net assets (liabilities)	<u>(5,783)</u>

7 CHANGES IN THE COMPOSITION OF ECONOMIC ENTITY

On 23 September 2004, Structural Systems (Remedial) Pty Ltd, a wholly owned and controlled entity of Structural Systems Limited, was incorporated.

STRUCTURAL SYSTEMS LIMITED AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2004

8 SEGMENT INFORMATION

PRIMARY REPORTING – BUSINESS SEGMENTS

	CONSTRUCTION		MINING		FIRE SYSTEMS		ECONOMIC ENTITY	
	31/12/2004	31/12/2003	31/12/2004	31/12/2003	31/12/2004	31/12/2003	31/12/2004	31/12/2003
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue								
Sales Revenue	40,735	27,758	7,963	5,351	-	2,944	48,698	36,053
Share of net profits of equity accounted joint ventures	201	-	-	-	-	-	201	-
Total revenue from ordinary activities	40,936	27,758	7,963	5,351	-	2,944	48,899	36,053
Result								
Profit (loss) from ordinary activities before income tax expense	955	(6,766)	395	525	-	(2,578)	1,350	(8,819)
Income tax expense							(230)	(396)
Net Profit (Loss) after tax							1,120	(9,215)

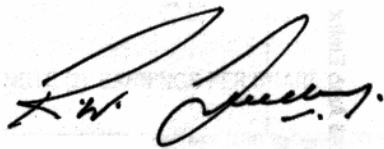
**STRUCTURAL SYSTEMS LIMITED ABN 57 006 413 574
AND CONTROLLED ENTITIES**

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes:
 - a. comply with Accounting Standard AASB 1029: 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 2004 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.



R.W. Freedman
Director



D.R. Perry
Director

Dated: 23 February 2005

STRUCTURAL SYSTEMS LIMITED ABN 57 006 413 574
AND CONTROLLED ENTITIES

**INDEPENDENT REVIEW REPORT
TO THE MEMBERS OF STRUCTURAL SYSTEMS LIMITED**



Scope

The interim financial report and directors' responsibility

The financial report of Structural Systems Limited, comprises the statement of financial performance, statement of financial position, statement of cash flows, notes to the financial statements and directors' declaration for the half-year ended 31 December 2004. The financial report includes the consolidated financial statements of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year.

The directors of the company are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the company, and that complies with Australian Accounting Standard AASB 1029 "Interim Financial Reporting", in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review Approach

We conducted an independent review of the financial report in order to make a statement about it to the members of the company, and in order for the company to lodge the financial report with the Australian Securities and Investments Commission and the Australian Stock Exchange Limited.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements, in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with the Corporations Act 2001, Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory professional reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations and its cash flows

A review is limited primarily to inquiries of the company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Independence

In conducting our review, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Director's Report.

Statement

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 Structural Systems Limited is not in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 31 December 2004 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.

A handwritten signature in blue ink, appearing to read 'Andrew P Roscoe'.

Anderson Roscoe
Chartered Accountants
Level 2, 479 St Kilda Road
Melbourne Vic 3004

A handwritten signature in blue ink, appearing to read 'Andrew P Roscoe'.

Andrew P Roscoe
Partner

Date: 23 February 2005

Partners:
William G Anderson F.C.A., C.F.P.
Andrew P Roscoe C.A.
Andrew R Duncan C.A.

Associates:
Russell W Drysdale C.A.
Robert F Cincotta C.A.
Tina Fiore-Scott C.A.

Anderson Roscoe
ABN 15 019 607 233

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**STRUCTURAL SYSTEMS LIMITED ABN 57 006 413 574
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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF STRUCTURAL SYSTEMS LIMITED**



In relation to our review of the financial report of Structural Systems Limited for the half-year ended 31 December 2004, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

A handwritten signature in blue ink, appearing to read 'Andrew P Roscoe'.

Anderson Roscoe
Chartered Accountants
Level 2, 479 St Kilda Road
Melbourne Vic 3004

Partners:
William G Anderson F.C.A., C.F.P.
Andrew P Roscoe C.A.
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Andrew P Roscoe
Partner

Date: 23 February 2005