

## **STRUCTURAL SYSTEMS ANNOUNCES A HALF-YEAR PROFIT INCREASE OF 74% AND AN INCREASED FULLY FRANKED INTERIM DIVIDEND OF 4.0 CENTS**

Structural Systems Limited ("**Structural**" or "**the company**") today reported a record pre-tax profit of \$5.28 million, a 74.7% increase on the \$3.023 million profit reported for the corresponding period last year. This profit was achieved on revenue of \$67.326 million, up 20% on the \$55.878 million reported for the first half of 2006. The after tax, after minorities profit for the half-year of \$3.746 million was 73.7% higher than the \$2.157 million reported for the corresponding period last year.

Diluted earnings per share increase by 53% to 8.4 cents per share compared with 5.5 cents for the corresponding period. Basic earnings per share increased from 6.8 cents per share to 9.4 cents.

Revenue increased by 20% compared to the corresponding period last year. The increase in revenue was achieved by a combination of internal growth and recent acquisitions.

Available opportunities for the company continue to be strong with \$91 million of new work secured since 1 January 2007. The securing of this work has brought the current work in hand values to record levels.

The diverse range of services the company provides and ability to bring experienced personnel with the technical know how to add value to clients has enabled the company to capitalise on the level of opportunities available within the wide geographical range in which the company operates. The board has encouraged the transfer of knowledge and experience within its operating companies so as to ensure the best solution for its clients is achieved no matter where the project is located.

Cashflow from operations was strong with \$3.7 million cash generated during the period. The board is committed to the continued growth and development of the company and during the period invested \$3.13 million in plant and equipment. During the period the company acquired Refobar Australia which is consistent with its strategy of seeking opportunities in the vertical supply chain and expanding on the existing skill and experience base of the company.

The directors resolved to declare an interim dividend of 4.0 cents per share, fully franked and payable on 13 April 2007. The record date for determining entitlements is 23 March 2007. The directors have determined that the dividend reinvestment plan remains suspended.

For further information please contact:

Robert Freedman  
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David Perry  
Director  
112 Munro Street  
South Melbourne VIC 3205  
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Dated: 26 February 2007

### **About Structural Systems Limited**

Structural Systems is a specialist professional Engineering and Contracting Company, which provides innovative skills, services and products to the Construction and Mining Industries both nationally and internationally. Operations commenced as BBR Australia Pty Ltd in 1961 and became the public company, Structural Systems Limited, in 1987. Further information can be gained from accessing the company's website at [www.structuralsystems.com.au](http://www.structuralsystems.com.au)

# Appendix 4D

(Rule 4.2A.3)

## Half year report

Name of entity	ABN or equivalent company reference
<b>STRUCTURAL SYSTEMS LIMITED</b>	<b>57 006 413 574</b>

### 1.0 Details of the Reporting Period and the Previous Corresponding Period

Financial period ended ('current period')	Financial period ended ('previous period')
<b>31 December 2006</b>	<b>31 December 2005</b>

### 2.0 Results for announcement to the market

\$A'000

2.1	Revenues from ordinary activities	up	20.1%	to	67,163
2.2	Profit (loss) from ordinary activities after tax attributable to members	up	73.7%	to	3,745
2.3	Net profit (loss) for the period attributable to members	up	73.7%	to	3,745
2.4	Dividends	Amount per security		Franked amount per security	
	Interim dividend	4.0¢		4.0¢	
2.5	+Record date for determining entitlements to the dividend,				
	Friday 23 March 2007				
2.6	Brief explanation of any of the figures in 2.1 to 2.4 above necessary to enable the figures to be understood.				
	<ul style="list-style-type: none"><li>• The half year operating profit before tax was \$5.28 million. The after tax result was \$3.745 million.</li><li>• Revenue increased by 20.1% to \$67.163 million.</li><li>• Diluted earnings per share increased by 53% from 5.5 cents per share to 8.4 cents per share.</li><li>• Basic earnings per share increased by 38% from 6.8 cents per share to 9.4 cents per share.</li><li>• Net tangible assets per share increased by 9.4% to 54.7 cents.</li><li>• Debt to equity ratio of 13% at 31 December 2006.</li><li>• Revenue from the company’s mining operation Rock Engineering grew to \$10.559 million, up 7% from the previous corresponding period.</li><li>• Cashflow from operations generated \$3.7 million positive cash in the period.</li><li>• An interim dividend of 4.0 cents per share fully franked has been declared.</li></ul>				

### 3.0 NTA Backing

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	54.7 cents	49.9 cents

### 4.0 Control Gained Over Entities

Name of entity (or group of entities)

Refobar Australia Pty Ltd

Date control gained

3 July 2006

2006	2005
\$'000	\$'000

Contribution of such entities to the reporting entity's profit/ (loss) from ordinary activities during the period (where material).

604

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### Loss of Control Over Entities

Name of entity (or group of entities)

N/A

Date control lost / deregistered

-

Contribution of such entities to the reporting entity's profit/ (loss) from ordinary activities during the period (where material).

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### 5.0 Dividends

#### 5.1 Individual dividends per security

	Date dividend is payable	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
<b>Final dividend:</b> 2005/06 Year	20 Oct 2006	5.0¢	5.0¢	Nil
<b>Interim dividend:</b> Current Period	13 April 2007	4.0¢	4.0¢	Nil

#### 5.2 Total dividend per security (interim plus final)

Ordinary securities  
Paid 20 October 2006 final dividend for 2005/06 year

Current Period	Previous Period
\$'000	\$'000
2,038	543

## 6.0 Dividend Reinvestment Plans

The dividend or distribution reinvestment plans shown below are in operation.

DRP remains suspended

The last date(s) for receipt of election notices for the dividend or distribution reinvestment plans

23 March 2007

Any other disclosures in relation to dividends (distributions).

N/A

## 7.0 Details of Associates and Joint Venture Entities

Name of associate/joint venture	Reporting entity's percentage holding		Contribution to Net profit/(loss) (where material)	
	Current Period	Previous Corresponding Period	Current Period	Previous Corresponding Period
			\$'000	\$'000
Structural Systems (UK) Ltd	40%	40%	-	532

## 8.0 Foreign Entities

Accounting Standards used in compiling financial reports:

Australian Accounting Standards

**9.0** If the accounts have been audited or subject to review and are subject to dispute or qualification, details are described below

N/A



Sign here: .....  
(Company Secretary)

Date: 26 February 2007

Print name: David Perry



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

**INTERIM FINANCIAL REPORT  
FOR THE HALF-YEAR ENDED  
31 DECEMBER 2006**

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

**INTERIM FINANCIAL REPORT**

**DIRECTORS' REPORT**

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The directors of Structural Systems Limited present their report on the economic entity for the half-year ended 31 December 2006.

**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 \$5.28 million. This was a 75% increase on the corresponding period. The after tax result was \$3.745 million. Revenue for the period was \$67.163 million. This is an increase of 20% on the first six months last year.

Diluted earnings per share increased from 5.5 cents per share to 8.4 cents per share. Basic earnings per share rose from 6.8 cents to 9.4 cents per share.

The net tangible assets per share at balance date increased by 9.4% to 54.7 cents per share.

Most operations within the Group experienced growth within the period. As market conditions improved in Victoria that business saw significant increases in opportunities and achieved growth of 21% in the period. Revenue from construction activities in Victoria was approximately \$26 million for the period. Construction revenues outside of Victoria grew by 11%. Rock Engineering's revenue grew to \$10.559 million for the six months. This is a 7% increase on the previous corresponding period. During the period the company acquired a further two drill rigs.

Revenue from acquisitions accounted for approximately 30% of the increase in revenue growth.

Net debt increased during the period primarily due to increased working capital requirements resulting from the increase in trading activities as well as significant investment by the board in capital expenditure and business acquisitions. With a net debt to equity ratio of 13% the board is of the view that the company is well placed to continue its expansion strategy and increasing returns to shareholders.

The company declared an interim dividend of 4.0 cents per share fully franked. This compares to 2.5 cents per share paid for the corresponding period last year. Record date is 23 March 2007.

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

**INTERIM FINANCIAL REPORT**

**DIRECTORS' REPORT**

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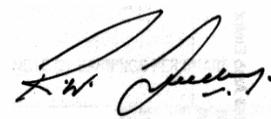
**Auditor's Independence Declaration**

The Auditor's Independence Declaration on page 15 forms part of the Director's Report for the half year ended 31 December 2006.

**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: 26 February 2007

**STRUCTURAL SYSTEMS LIMITED ABN 57 006 413 574  
AND CONTROLLED ENTITIES  
CONDENSED INCOME STATEMENT  
FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

		<b>ECONOMIC ENTITY</b>	
	<b>Note</b>	<b>31 Dec 06 \$'000</b>	<b>31 Dec 05 \$'000</b>
Revenue	2(a)	67,163	55,878
Raw materials and consumables used for sale of goods		(4,235)	(1,716)
Construction and servicing costs		(54,837)	(45,189)
Change in inventories and raw materials		2,755	(1,506)
Other expenses		(3,604)	(3,156)
Depreciation and amortisation expense	2(b)	(1,784)	(1,446)
Finance Cost		(178)	(374)
Share of net profits of associates and joint ventures accounted for using the equity method		-	532
<b>Profit (loss) before income tax expense</b>		<b>5,280</b>	<b>3,023</b>
Income tax expense	3	(1,535)	(627)
<b>Profit (loss) after income tax expense</b>		<b>3,745</b>	<b>2,396</b>
Profit attributable to minority equity interests		-	(239)
<b>Profit (loss) for the period attributable to members of the parent entity</b>		<b>3,745</b>	<b>2,157</b>
Basic EPS		9.4 cents	6.8 cents
Diluted EPS		8.4 cents	5.5 cents

The accompanying notes form part of these financial statements



**STRUCTURAL SYSTEMS LIMITED AND CONTROLLED ENTITIES**  
**CONDENSED BALANCE SHEET**  
**AS AT 31 DECEMBER 2006**

		<b>ECONOMIC ENTITY</b>	
	<b>Note</b>	<b>31 Dec 06 \$'000</b>	<b>30 June 06 \$'000</b>
<b>Current assets</b>			
Cash and cash equivalents		1,702	4,973
Trade and other receivables		27,332	23,998
Inventories		6,901	4,146
Other current assets		1,130	441
<b>Total current assets</b>		<b>37,065</b>	<b>33,558</b>
<b>Non-current assets</b>			
Trade and other receivables		21	-
Financial assets		-	-
Investments accounted for using equity method		750	750
Property, plant and equipment		16,809	14,223
Intangible assets		4,933	3,492
Deferred tax assets		1,238	1,843
<b>Total non-current assets</b>		<b>23,751</b>	<b>20,308</b>
<b>Total assets</b>		<b>60,816</b>	<b>53,866</b>
<b>Current liabilities</b>			
Trade and other payables		22,679	20,459
Short-term borrowings		3,391	2,672
Current tax liabilities		1,112	-
Short-term provisions		3,547	2,926
<b>Total current liabilities</b>		<b>30,729</b>	<b>26,057</b>
<b>Non-current liabilities</b>			
Trade and other payables		338	822
Long-term borrowings		1,937	1,590
Deferred tax liabilities		325	507
Long-term provisions		310	202
<b>Total non-current liabilities</b>		<b>2,910</b>	<b>3,121</b>
<b>Total liabilities</b>		<b>33,639</b>	<b>29,178</b>
<b>Net assets</b>		<b>27,177</b>	<b>24,688</b>
<b>Equity</b>			
Issued capital	9	21,772	21,013
Share option equity		420	271
Reserves		899	1,026
Retained earnings (Accumulated losses)		4,148	2,440
<b>Parent entity interests</b>		<b>27,239</b>	<b>24,750</b>
Minority equity interests		(62)	(62)
<b>Total equity</b>		<b>27,177</b>	<b>24,688</b>

The accompanying notes form part of these financial statements

**STRUCTURAL SYSTEMS LIMITED AND CONTROLLED ENTITIES**  
**CONDENSED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

<b>ECONOMIC ENTITY</b>	<b>Note</b>	<b>Share Capital Ordinary \$'000</b>	<b>Share Options Equity \$'000</b>	<b>Retained Profits (Accumulated Losses) \$'000</b>	<b>Asset Revaluation Reserve \$'000</b>	<b>Capital Profits Reserve \$'000</b>	<b>Foreign Currency Translation Reserve \$'000</b>	<b>Minority Equity Interests \$'000</b>	<b>Total \$'000</b>
<b>Balance at 1 July 2005</b>		15,059	271	(1,382)	918	265	(245)	653	15,539
Shares issued during the period		5,871							5,871
Profit attributable to members of parent entity				2,157					2,157
Acquisition of additional shareholding in controlled entity								(366)	(366)
Translation adjustment on controlled foreign entities' financial statements							50		50
Profit attributable to minority shareholders								239	239
Sub-total		20,930	271	775	918	265	(195)	526	23,490
Dividends paid or provided for				(543)					(543)
<b>Balance at 31 December 2005</b>		20,930	271	232	918	265	(195)	526	22,947
Shares issued during the period		336							336
Shares bought back during the period		(252)							(252)
Profit attributable to members of parent entity				3,188					3,188
Acquisition of additional shareholding in controlled entity								(588)	(588)
Translation adjustment on controlled foreign entities' financial statements							38		38
Sub-total		21,013	271	3,420	918	265	(157)	(62)	25,668
Dividends paid or provided for				(980)					(980)
<b>Balance at 30 June 2006</b>		21,013	271	2,440	918	265	(157)	(62)	24,688

**STRUCTURAL SYSTEMS LIMITED AND CONTROLLED ENTITIES**  
**CONDENSED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2006 (Continued)**

<b>ECONOMIC ENTITY</b>	<b>Note</b>	<b>Share Capital Ordinary \$'000</b>	<b>Share Options Equity \$'000</b>	<b>Retained Profits (Accumulated Losses) \$'000</b>	<b>Asset Revaluation Reserve \$'000</b>	<b>Capital Profits Reserve \$'000</b>	<b>Foreign Currency Translation Reserve \$'000</b>	<b>Minority Equity Interests \$'000</b>	<b>Total \$'000</b>
<b>Balance at 1 July 2006</b>		21,013	271	2,440	918	265	(157)	(62)	24,688
Shares issued during the period		968							968
Shares bought back during the period		(209)							(209)
Share options issued during the period			149						149
Profit attributable to members of parent entity				3,746					3,746
Translation adjustment on controlled foreign entities' financial statements							(127)		(127)
Profit attributable to minority shareholders									-
Sub-total		21,772	420	6,186	918	265	(284)	(62)	29,215
Dividends paid or provided for	4			(2,038)					(2,038)
<b>Balance at 31 December 2006</b>		21,772	420	4,148	918	265	(284)	(62)	27,177

**STRUCTURAL SYSTEMS LIMITED AND CONTROLLED ENTITIES**  
**CONDENSED CASH FLOW STATEMENT**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

	<b>ECONOMIC ENTITY</b>	
	<b>31 Dec 06</b>	<b>31 Dec 05</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>		
Cash receipts in the course of operations	70,976	60,839
Cash payments in the course of operations	(67,228)	(56,076)
Interest received	96	150
Finance costs	(175)	(531)
Income tax paid	-	(308)
<b>Net cash provided by (used in) operating activities</b>	<b>3,669</b>	<b>4,074</b>
<b>Cash flows from investing activities</b>		
Payment for purchases of property, plant and equipment	(1,798)	(774)
Proceeds from sale of property, plant and equipment	34	43
Loans (to) / from related entities (net)	(395)	-
Payments for controlled entities	(2,253)	-
<b>Net cash provided by (used in) investing activities</b>	<b>(4,412)</b>	<b>(731)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issues of shares	650	493
Share buy-back payment	(209)	-
Repayment of borrowings	-	(1,050)
Lease and lease purchase payments	(804)	(841)
Dividends paid by parent entity	(2,038)	(543)
Dividends paid by controlled entity to minority equity interests	-	(340)
<b>Net cash provided by (used in) financing activities</b>	<b>(2,401)</b>	<b>(2,281)</b>
<b>Net increase (decrease) in cash held</b>	<b>(3,144)</b>	<b>1,062</b>
Cash at beginning of period	4,973	6,758
Effect of exchange rates on cash holdings in foreign currencies	(127)	50
<b>Cash at end of period</b>	<b>1,702</b>	<b>7,870</b>

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 2006**

**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 134: Interim Financial Reporting, Urgent Issues Group Interpretations 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 2006 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 half-year report does not include full disclosures of the type normally included in an annual financial report.

**Reporting basis and Conventions**

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and where applicable, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

**STRUCTURAL SYSTEMS LIMITED AND CONTROLLED ENTITIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

**2 PROFIT (LOSS) FROM ORDINARY ACTIVITIES**

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

	<b>31 Dec 06</b>	<b>31 Dec 05</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>(a) Revenue</b>		
Operating activities		
- Sale of goods	1,882	2,416
- Rendering of services	64,963	53,266
- Interest received	96	150
- Other revenue	213	20
	<b>67,154</b>	<b>55,852</b>
Non-operating activities		
- Gain on disposal of property, plant & equipment	9	26
<b>Total Revenue</b>	<b>67,163</b>	<b>55,878</b>
<b>(b) Expenses</b>		
Amortisation and depreciation of:		
- Buildings	25	30
- Plant and equipment	1,760	1,415
- Leasehold improvements	-	1
	<b>1,785</b>	<b>1,446</b>
<b>3 INCOME TAX EXPENSE</b>		
Current tax-relating to current period	1,112	-
Deferred tax-origination and reversal of temporary differences	423	619
Under provision in respect of prior years.	-	8
	<b>1,535</b>	<b>627</b>

**STRUCTURAL SYSTEMS LIMITED AND CONTROLLED ENTITIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

<b>4</b>	<b>DIVIDENDS PAID OR PROPOSED</b>	<b>31 Dec 06 \$'000</b>	<b>31 Dec 05 \$'000</b>
	<b>Distributions Paid</b>		
	Declared final fully franked ordinary dividend of 5 cents per share (2005: 1.5 cents) franked at the tax rate of 30% (2005: 30%) for the year ended 30 June 2006 (2005: 30 June 2005)	2,038	543
	<b>Distributions Declared</b>		
	Declared interim fully franked ordinary dividend of 4.0 cents per share (2005: 2.5 cents) franked at the tax rate of 30% (2005: 30%) for the half year ended 31 December 2006 payable 13 April 2007		
<b>5</b>	<b>CONTINGENT LIABILITIES</b>		
	There have been no significant changes in contingent liabilities since the last annual reporting date.		
<b>6</b>	<b>EVENTS SUBSEQUENT TO REPORTING DATE</b>		
	There were no material events subsequent to the end of the interim period that have not been recognised in the interim financial statements.		
<b>7</b>	<b>CHANGES IN THE COMPOSITION OF ECONOMIC ENTITY</b>		
	On 3 July 2006, the parent entity acquired Refobar Australia Pty Ltd, a wholly owned subsidiary of Structural Systems as of that date.		

**STRUCTURAL SYSTEMS LIMITED AND CONTROLLED ENTITIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

**8 SEGMENT INFORMATION**

**PRIMARY REPORTING – BUSINESS SEGMENTS**

<b>REVENUE</b>	<b>CONSTRUCTION</b>		<b>MINING</b>		<b>CORPORATE</b>		<b>ELIMINATIONS</b>		<b>ECONOMIC ENTITY</b>	
	<b>31 Dec 06 \$'000</b>	<b>31 Dec 05 \$'000</b>	<b>31 Dec 06 \$'000</b>	<b>31 Dec 05 \$'000</b>	<b>31 Dec 06 \$'000</b>	<b>31 Dec 05 \$'000</b>	<b>31 Dec 06 \$'000</b>	<b>31 Dec 05 \$'000</b>	<b>31 Dec 06 \$'000</b>	<b>31 Dec 05 \$'000</b>
External Sales	56,481	45,867	10,559	9,837	-	-	-	-	67,040	55,704
Other segments	216	141	-	-	3,269	5,562	(3,363)	(5,529)	122	173
Total sales revenue	56,697	46,008	10,559	9,837	3,269	5,562	(3,363)	(5,529)	67,162	55,877
Unallocated revenue									-	-
Total revenue from ordinary activities									67,162	55,877
<b>RESULT</b>										
Segment result	4,636	1,689	545	651	747	3,415	(648)	(3,265)	5,280	2,491
Share of net profits of equity accounted associates and joint ventures	-	532	-	-	-	-	-	-	-	532
Income tax expense									(1,535)	(627)
Profit (loss) after income tax expense									3,745	2,396



**STRUCTURAL SYSTEMS LIMITED AND CONTROLLED ENTITIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

<b>9 ISSUED CAPITAL</b>	<b>31 Dec 06 \$'000</b>	<b>30 June 06 \$'000</b>
40,761,007 (2006:38,950,483) ordinary shares, fully paid	21,772	21,013
Movements during the period:		
Balance at beginning of period	21,013	15,059
38,395 (2006: 11,574,263) on notes converted	17	5,208
1,019,951 (2006: 521,708) on convertible note options exercised	459	235
425,000 (2006: 875,000) on employee options exercised	192	403
500,000 (2006: 600,000) as consideration on acquisition of 10% balance in subsidiary	300	360
172,822 (2006: 251,273) Shares bought-back on market	(209)	(252)
<b>Balance at end of period</b>	<b>21,772</b>	<b>21,013</b>

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

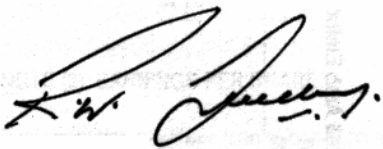
**DIRECTORS' DECLARATION**

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The directors of the company declare that:

1. The financial statements and notes, as set out on pages 3 to 12:
  - 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.



**R.W. Freedman**  
Director



**D.R. Perry**  
Director

Dated: 26 February 2007

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

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF STRUCTURAL SYSTEMS LIMITED**

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Structural Systems Limited and the entities it controlled during the half-year, which comprises the consolidated condensed balance sheet as at 31 December 2006, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

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

The directors of the company are responsible for the preparation 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 the consolidated entity's 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 Structural Systems 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*. 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.

*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 Structural Systems Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity'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*.



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



**Andrew P Roscoe**  
Partner

Date: 26 February 2007



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

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

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF STRUCTURAL SYSTEMS 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's 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.



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



**Andrew P Roscoe**  
Partner

Date: 26 February 2007



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