



MARKET UPDATE – MERIDIAN CONCRETE

The Company is pleased to advise that the acquisition of Meridian Concrete Pty Ltd has been successfully concluded. The acquisition is effective from 8 November 2007.

The acquisition will trade in the future as Meridian Concrete Australia Pty Ltd and is a wholly owned subsidiary of Structural Systems Limited.

The sale price is a combination of a cash payment of \$6,000,000 on settlement, shares and potential further cash payments subject to profitability hurdles over the next three years.

The shares while issued on completion and having the same rights as existing shares are held in escrow over the term of the agreement. The agreement runs for three years and the shares will be released to the vendors in equal annual instalments commencing on 1 October 2008. The total number of shares issued as consideration was 1,509,434 at an issue price of \$2.65. The agreed share price was struck at the time of entering into due diligence and this price was above the trading range at that time.

The effect to earnings per share on a fully diluted basis is expected to be an increase in the order of 2.5 cents per share for the first year. This is based on eight months trading to 30 June 2008.

The Board is of the view that this acquisition offers the Structural Systems Group tremendous potential for further growth in its construction activities.

Meridian Concrete is the largest supply and place concrete contractor in the Victorian construction market. Structural Systems has had a close working relationship with this company since 2002.

David Perry
Company Secretary
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