



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

**INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2007**

**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 consolidated group for the half-year ended 31 December 2007.

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 strategic plan developed over the last few years of being able to offer a broad range of services in multiple locations has resulted in significant growth in both profit and revenue for the Company in the first half of 2008. This record result for a half year follows two consecutive record full year results for the Company.

The half year operating profit before tax of \$9.507 million was an 80% increase on the corresponding period. The after tax result was \$6.982 million. Revenue for the period was \$120.863 million. This is an increase of 80% on the first six months last year.

Diluted earnings per share increased from 8.4 cents per share to 14.8 cents per share. Basic earnings per share rose from 9.4 cents to 14.9 cents per share.

The half year saw strong revenue growth in both the construction and mining services markets. Construction activity increased by 75% compared to the previous period. All operations within the Group experienced growth during the period and contributed to the increased volumes. Revenue from Rock Engineering increased by 105% to \$21.6 million for the half year. Profit from this operation increased by 250% compared to the prior corresponding period. Equity accounted earnings from the UK for the period was \$472,000.

Revenue from acquisitions made during the period accounted for approximately 26% of the increase in revenue growth for the Group.

Cashflow from operating activities was down on the prior corresponding period at \$2.78 million. The cashflow from operations was impacted by the working capital requirements of the recent acquisition of Meridian and the overall growth of the existing operations.

The debt to equity ratio increased to 35% at the end of December 2007. The primary reason for the increase in gearing was due to the funding of the Meridian acquisition. Other borrowings for lease related purchases remained at similar levels to that at the end of June 2007.

Work in hand at 31 December 2007 was in excess of \$160 million.

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

INTERIM FINANCIAL REPORT

DIRECTORS' REPORT (continued)

Review of Operations (continued)

The company declared an interim dividend of 5.0 cents per share fully franked. This compares to 4.0 cents per share paid for the corresponding period last year. Record date is 20 March 2008 and the dividend is payable on 11 April 2008.

Auditor's Independence Declaration

The Auditor's Independence Declaration on page 16 forms part of the Director's Report for the half year ended 31 December 2007.

Rounding of Amounts

The consolidated group 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: 27 February 2008

**STRUCTURAL SYSTEMS LIMITED ABN 57 006 413 574
AND CONTROLLED ENTITIES
CONSOLIDATED INCOME STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2007**

		CONSOLIDATED GROUP	
		31 Dec 07 \$'000	31 Dec 06 \$'000
	Note		
Revenue	2(a)	120,863	67,163
Raw materials and consumables used for sale of goods		(2,651)	(4,235)
Construction and servicing costs		(103,559)	(54,837)
Change in inventories and raw materials		1,827	2,755
Depreciation and amortisation expense	2(b)	(2,759)	(1,784)
Finance Cost		(360)	(178)
Other expenses		(4,327)	(3,604)
Share of net profits of associates accounted for using the equity method		473	-
		<hr/>	<hr/>
Profit before income tax expense		9,507	5,280
Income tax expense	3	(2,525)	(1,535)
		<hr/>	<hr/>
Profit after income tax expense		6,982	3,745
Profit attributable to minority equity interests		-	-
		<hr/>	<hr/>
Profit for the period attributable to members of the parent entity		6,982	3,745
		<hr/> <hr/>	<hr/> <hr/>
Basic EPS		14.9 cents	9.4 cents
Diluted EPS		14.8 cents	8.4 cents

The accompanying notes form part of these financial statements

**STRUCTURAL SYSTEMS LIMITED AND CONTROLLED ENTITIES
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2007**

		CONSOLIDATED GROUP	
	Note	31 Dec 07 \$'000	30 June 07 \$'000
Current assets			
Cash and cash equivalents		2,908	7,126
Trade and other receivables		48,789	33,807
Inventories		11,705	9,878
Other current assets		1,248	41
Total current assets		64,650	50,852
Non-current assets			
Trade and other receivables		191	191
Financial assets		-	-
Investments accounted for using equity method		1,312	839
Property, plant and equipment		23,284	20,875
Intangible assets		14,324	5,244
Deferred tax assets		2,320	1,763
Total non-current assets		41,431	28,912
Total assets		106,081	79,764
Current liabilities			
Trade and other payables		37,646	29,792
Short-term financial liabilities		10,574	3,314
Current tax liabilities		5,981	3,529
Short-term provisions		4,279	4,390
Total current liabilities		58,480	41,025
Non-current liabilities			
Trade and other payables		171	336
Long-term financial liabilities		4,373	4,499
Deferred tax liabilities		413	396
Long-term provisions		480	329
Total non-current liabilities		5,437	5,560
Total liabilities		63,917	46,585
Net assets		42,164	33,179
Equity			
Issued capital	9	29,213	24,460
Share option equity		646	500
Reserves		782	819
Retained earnings		11,585	7,462
Parent entity interests		42,226	33,241
Minority equity interests		(62)	(62)
Total equity		42,164	33,179

The accompanying notes form part of these financial statements

**STRUCTURAL SYSTEMS LIMITED AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007**

CONSOLIDATED GROUP	Note	Share Capital Ordinary \$'000	Share Options Equity \$'000	Retained Earnings \$'000	Asset Revaluation Reserve \$'000	Capital Profits Reserve \$'000	Foreign Currency Translation Reserve \$'000	Minority Equity Interests \$'000	Total \$'000
Balance at 1 July 2006		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)
Balance at 31 December 2006		21,772	420	4,148	918	265	(284)	(62)	27,177
Shares issued during the period		2,688							2,688
Share options issued during the period			80						80
Profit attributable to members of parent entity				5,078					5,078
Translation adjustment on controlled foreign entities' financial statements							(80)		(80)
Sub-total		24,460	500	9,226	918	265	(364)	(62)	34,943
Dividends paid or provided for				(1,764)					(1,764)
Balance at 30 June 2007		24,460	500	7,462	918	265	(364)	(62)	33,179

The accompanying notes form part of these financial statements

**STRUCTURAL SYSTEMS LIMITED AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007 (Continued)**

CONSOLIDATED GROUP	Note	Share Capital Ordinary \$'000	Share Options Equity \$'000	Retained Earnings \$'000	Asset Revaluation Reserve \$'000	Capital Profits Reserve \$'000	Foreign Currency Translation Reserve \$'000	Minority Equity Interests \$'000	Total \$'000
Balance at 1 July 2007		24,460	500	7,462	918	265	(364)	(62)	33,179
Shares issued during the period		4,753							4,753
Share options issued during the period			146						146
Profit attributable to members of parent entity				6,982					6,982
Translation adjustment on controlled foreign entities' financial statements							(37)		(37)
Sub-total		29,213	646	14,444	918	265	(401)	(62)	45,023
Dividends paid or provided for	4			(2,859)					(2,859)
Balance at 31 December 2007		29,213	646	11,585	918	265	(401)	(62)	42,164

The accompanying notes form part of these financial statements

**STRUCTURAL SYSTEMS LIMITED AND CONTROLLED ENTITIES
CONSOLIDATED CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2007**

	CONSOLIDATED GROUP	
	31 Dec 07	31 Dec 06
	\$'000	\$'000
Cash flows from operating activities		
Cash receipts in the course of operations	115,060	70,976
Cash payments in the course of operations	(111,485)	(67,228)
Interest received	271	96
Finance costs	(452)	(175)
Income tax paid	(613)	-
Net cash provided by (used in) operating activities	2,781	3,669
Cash flows from investing activities		
Payment for purchases of property, plant and equipment	(2,149)	(1,798)
Proceeds from sale of property, plant and equipment	38	34
Loans (to) / from related entities (net)	(55)	(395)
Payments for controlled entities	(6,386)	(2,253)
Net cash provided by (used in) investing activities	(8,552)	(4,412)
Cash flows from financing activities		
Proceeds from issues of shares	452	650
Share buy-back payment	-	(209)
Proceeds from borrowings	6,000	-
Lease and lease purchase payments	(2,005)	(804)
Dividends paid by parent entity	(2,857)	(2,038)
Net cash provided by (used in) financing activities	1,590	(2,401)
Net increase (decrease) in cash held	(4,181)	(3,144)
Cash at beginning of period	7,126	4,973
Effect of exchange rates on cash holdings in foreign currencies	(37)	(127)
Cash at end of period	2,908	1,702

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 2007**

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, Australian Accounting 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 2007 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 consolidated group and are consistent with those in the June 2007 financial report.

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 2007**

2 PROFIT FOR THE PERIOD

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

	CONSOLIDATED GROUP	
	31 Dec 07	31 Dec 06
	\$'000	\$'000
(a) Revenue		
Operating activities		
- Sale of goods	3,874	1,882
- Rendering of services	116,622	64,963
- Interest received	271	96
- Other revenue	96	213
	120,863	67,154
Non-operating activities		
- Gain on disposal of property, plant & equipment	-	9
Total Revenue	120,863	67,163
(b) Expenses		
Amortisation and depreciation of:		
- Buildings	25	24
- Plant and equipment	2,731	1,760
- Leasehold improvements	3	-
	2,759	1,784
Loss on disposal of property, plant and equipment	16	-
3 INCOME TAX EXPENSE		
Current tax-relating to current period	3,065	1,112
Deferred tax-origination and reversal of temporary differences	(540)	423
Under provision in respect of prior years.	-	-
	2,525	1,535

**STRUCTURAL SYSTEMS LIMITED AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007**

4	DIVIDENDS PAID OR PROPOSED	CONSOLIDATED GROUP	
		31 Dec 07 \$'000	31 Dec 06 \$'000
	Distributions Paid		
	Declared final fully franked ordinary dividend of 6.0 cents per share (2006: 5 cents) franked at the tax rate of 30% (2006: 30%) for the year ended 30 June 2007 (2006: 30 June 2006)	2,859	2,038

Distributions Declared

Declared interim fully franked ordinary dividend of 5 cents per share (2006: 4.0 cents) franked at the tax rate of 30% (2006: 30%) for the half year ended 31 December 2007 payable 11 April 2008.

5 CONTINGENT LIABILITIES

There have been no significant changes in contingent liabilities since the last annual reporting date.

6 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.

7 CHANGES IN THE COMPOSITION OF CONSOLIDATED GROUP

Meridian Concrete Australia Pty Ltd

On 8 November 2007, the company acquired the business of Meridian Concrete Pty Ltd which now trades as Meridian Concrete Australia Pty Ltd, a wholly owned subsidiary of Structural Systems Limited.

The purchase was satisfied by the issue of 1,509,434 shares (held in escrow) at an issue price of \$2.65 each and the payment of \$6,071,392. The issue was based on the market price at the date of acquisition.

		CONSOLIDATED GROUP 31 Dec 07 \$'000
Details of the transaction are:		
Purchase consideration (excluding earn-out payments) :		
Share issue (held in escrow)		4,000
Cash consideration		6,071
		10,071
Assets acquired at acquisition date:		
- Plant & equipment		991
Goodwill on consolidation		9,079
		10,071

**STRUCTURAL SYSTEMS LIMITED AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007**

7 CHANGES IN THE COMPOSITION OF CONSOLIDATED REPORT (continued)

Meridian Concrete Australia Pty Ltd (continued)

The earn-out payments are dependent upon a number of conditions being achieved, based around the future performance of the company, over the next three years. The maximum payable under this agreement is an additional \$5,334,000.

The goodwill is attributable to the high profitability of the acquired business and expected future growth.

The assets acquired from the acquisition are recognised at fair value which is equal to its carrying value.

Profit before income tax of Meridian Concrete Australia Pty Ltd included in consolidated profit of the group since the acquisition date on 8 November 2007 amounted to \$467,083.

**STRUCTURAL SYSTEMS LIMITED AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007**

8 SEGMENT INFORMATION

PRIMARY REPORTING – BUSINESS SEGMENTS

	CONSTRUCTION		MINING		CORPORATE		ELIMINATIONS		CONSOLIDATED GROUP	
	31 Dec 07 \$'000	31 Dec 06 \$'000								
REVENUE										
External Sales	98,876	56,481	21,621	10,559	-	-	-	-	120,497	67,040
Other segments	92	216	35	-	3,526	3,269	(3,558)	(3,363)	96	122
Total sales revenue	98,968	56,697	21,656	10,559	3,526	3,269	(3,558)	(3,363)	120,592	67,066
Unallocated revenue									271	96
Total segment revenue									120,863	67,162
RESULT										
Segment result	6,859	4,636	1,911	545	264	747	-	(648)	9,034	5,280
Share of net profits of equity accounted associates	473	-	-	-	-	-	-	-	473	-
Income tax expense									(2,525)	(1,535)
Profit after income tax expense									6,982	3,745

**STRUCTURAL SYSTEMS LIMITED AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007**

CONSOLIDATED GROUP

9 ISSUED CAPITAL	31 Dec 07 \$'000	30 June 07 \$'000
49,141,824 (2007: 46,437,886) ordinary shares, fully paid	29,213	24,460
Movements during the period:		
Balance at beginning of period	24,460	21,013
0 (2007: 1,008,453) on notes converted	-	448
19,504 (2007: 5,226,772) on convertible note options exercised	9	2,352
675,000 (2007: 925,000) on executive share options exercised	444	556
2,009,434 (2007: 500,000) as consideration on acquisition of controlled entities	4,300	300
0 (2007: 172,822) Shares bought-back on market	-	(209)
Balance at end of period	29,213	24,460

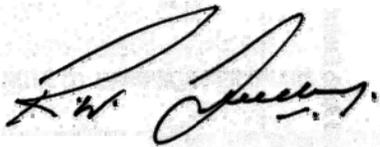
**STRUCTURAL SYSTEMS LIMITED ABN 57 006 413 574
AND CONTROLLED ENTITIES**

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 3 to 13:
 - a. comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations, and
 - b. give a true and fair view of the consolidated group's financial position as at 31 December 2007 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: 27 February 2008

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 Controlled Entities (the consolidated entity) which comprises the balance sheet as at 31 December 2007, 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, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the consolidated entity 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 establishing 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 2007 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 and Controlled Entities, 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.

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 and Controlled Entities 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 2007 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.

A handwritten signature in blue ink that reads "Anderson Roscoe".

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

A handwritten signature in blue ink that reads "Robert F Cincotta".

Robert F Cincotta
Partner
Date: 27 February 2008

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:
Russell W Drysdale C.A.
Tina Fiore-Scott C.A.

Anderson Roscoe
ABN 80 446 534 781

Level 2, 479 St Kilda Road
Melbourne Victoria 3004
Australia

PO Box 7366
St Kilda Road Victoria 8004

Telephone: 03 9867 1555
Facsimile: 03 9867 1550
Email: info@andersonroscoe.com.au
www.andersonroscoe.com.au

**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 2007, 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.

Anderson Roscoe

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

Robert F Cincotta

Robert F Cincotta
Partner

Date: 27 February 2008

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:
Russell W Drysdale C.A.
Tina Fiore-Scott C.A.

Anderson Roscoe
ABN 80 446 534 781

Level 2, 479 St Kilda Road
Melbourne Victoria 3004
Australia

PO Box 7366
St Kilda Road Victoria 8004

Telephone: 03 9867 1555
Facsimile: 03 9867 1550
Email: info@andersonroscoe.com.au
www.andersonroscoe.com.au