Structural Systems
Engineers & Contractors

STRUCTURAL SYSTEMS ANNOUNCES A 72% INCREASE IN NET PROFIT AFTER TAX FOR THE 2008 YEAR AND A FULLY FRANKED FINAL DIVIDEND OF 6.5 CENTS A SHARE

Structural Systems Limited **("Structural" or "the company")** has achieved another year of record earnings and revenue growth. Pre-tax profit increased by 68% to $20.708 million, up $8.39 million from the record 2007 year result of $12.316 million. This result was achieved on the back of strong organic growth across all business segments and the successful integration of the major acquisition made during the year. Revenue grew by 100% to $282.57 million, up $141.344 million from the $141.226 million reported in 2007. The after tax profit for the year was $15.181 million, compared with $8.824 million last year. Included in the result was a gain of $1.79 million derived from the restructuring of our equity interest in the UK post tensioning business.

Basic earnings per share grew by 50% to 31.9 cents compared to 21.2 cents for the corresponding period. The total number of shares on issue at 30 June 2008 was 49.141 million, increasing during the year by 2.703 million shares. Diluted earnings per share increased from 20.3 cents to 31.6 cents.

Cashflow from operations was $8.613 million for the twelve months. The working capital requirement of the company has increased considerably during the year with the growth of the existing businesses and the Meridian acquisition. This requirement has been able to be largely funded from the internal cashflow of the company. Borrowings related to acquisition of major plant and equipment increased by $1.3 million during the year to $9.1 million.

The directors resolved to declare a final dividend of 6.5 cents per share, fully franked and payable on 31 October 2008. The record date for determining entitlements is 3 October 2008. The directors have determined that the dividend reinvestment plan remain suspended. The final dividend of 6.5 cents takes the total dividend for the 2008 year to 11.5 cents. This is a 15% increase on the total dividend paid for the 2007 year.

The company has the ability to participate in nearly all segments of the construction, civil and engineering markets. This combined with continued strong demand for service companies in the mining and energy resources sector gives the board great confidence in the future prospects for the company. The acquisition of Meridian Concrete Australia Pty Ltd ("Meridian") in November 2007 has assisted in taking the revenue base for the company to a record level.

Opportunities exist to roll out the construction services currently only offered in Victoria into other states of Australia. As the construction market evolves in Australia to provide a more national approach to the delivery of major infrastructure projects or to meet growth in local markets the company is fielding enquiries to partner with major contractors in the delivery of these projects. The company is well placed to take advantage of these opportunities with established presences and offices in the major capital cities of Australia.

The company continues to invest substantially in its future. The benefits of this investment made in recent years are clearly demonstrated in the growth in earnings from our capital intensive mining services operation. The prospects for this business have never been stronger and the business has a significant part of its ongoing revenue secured in long term contracts. The board is of the view that this business's future growth strategy is now best suited to a complementary acquisition. With tightening of credit markets and the retreat of private equity in recent times valuations seem to be returning to more sustainable levels. The company's gearing level of approximately 30% allows it to undertake strategic acquisitions in the future. A number of these potential acquisitions are currently being evaluated.

Revenue from activities in the Middle East is expected to grow substantially in the 2009 year. After being well established in the UAE for over ten years the company now have projects underway in Qatar, Bahrain and Abu Dhabi. The levels of construction in these regions shows no signs of slowing down and the opportunities are expected to be significant for many years to come.

Work in hand at the end of June was at a record level in excess of $215 million. This secured order book combined with the current project enquiry level underpins the expectation of continued growth of the company.

An overview of the performance of various business segments is discussed below –

- **Mining & Civil Services**
  This business undertakes work in the resource, energy and infrastructure market sectors with its primary activities being engineering, drilling, blasting, geotechnical and environment services. The 2008 year saw significant growth in revenue and profit. Profit before tax rose by 78% to $3.216 million for the year. Revenue increased by 59% to $39.1 million. Demand for the business's services is at record levels with opportunities being pursued throughout Australia. During the period the business was able to increase the number of long term contracts in hand and work in hand at June was at record levels.

- **Post-tensioning**
  Overall, the post tensioning activities of the company achieved modest growth of 7% in the 2008 year. Total revenue grew by $4.9 million to $79.3 million. The second half performance of the NSW and QLD businesses was affected by continued periods of inclement weather and this resulted in lower volumes in the second half compared to the first six months of the financial year. Revenue from manufacturing of post tensioning products was approximately 10% lower in the 2008 year. This decrease was a direct result of the lower levels of activities in NSW and QLD. Our Western Australian operation achieved solid revenue growth during the year on the back of strong conditions in the Perth construction market. Revenue from operations in the Middle East grew by 16% to a record $9.028 million.

- **Construction**
  The Construction business segment includes structure packages, formwork, concrete supply and place and remedial activities. Revenue from this segment grew by 282% to $171.528 million, an increase of $126.6 million on the $44.8 million in 2007. Approximately half of this growth in revenue was achieved organically with the balance coming from Meridian. Primarily the Construction business derives its income from operations in the Victorian construction market. This market has been very strong throughout the year. With the acquisition of Meridian the Company is now able to provide the full structure package service in house. The synergies between the Construction operations pre-acquisition and Meridian start at the securing of new work and flow right through to the on-site delivery and completion of the works. The company is confident that further cost savings and efficiency benefits will continue to flow as the integrated model develops.

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Dated: 27 August 2008

About Structural Systems Limited
Structural Systems is an international specialist Engineering and Contracting Company, which provides innovative skills and services to the Construction, Civil, Resource and Energy Industries both nationally and internationally. The Company has three operating divisions including post tensioning, construction and mining services. Structural Systems operates throughout Australia, the Middle East and Poland and has in excess of 1,100 employees worldwide. Operations commenced as BBR Australia Pty Ltd in 1961 and became the public company, Structural Systems Limited, in 1987.

For further information about Structural Systems please see our website:
www.structuralsystems.com.au

Structural Systems
Engineers & Contractors

Preliminary Final Report of Structural Systems Limited
For the year ended 30 June 2008
ABN 57 006 413 574

This preliminary Final report is provided to the Australian Stock Exchange (ASX) under ASX Listing Rule 4.3A

Current Reporting Period:	Financial year ending 30 June 2008
Previous Corresponding Period:	Financial year ending 30 June 2007

Results for announcement to the market

Revenue and Earnings Information	Up (Down)	Percentage Change	Amount $'000
Revenues from ordinary activities	Up	100% to	282,573
Profit (loss) from ordinary activities before income tax expense	Up	68% to	20,708
Net profit (loss) from ordinary activities after tax (before outside equity interests)	Up	72% to	15,175
Net profit (loss) for the period attributable to members	Up	72% to	15,181

Dividends (Distributions)		Amount per security	Franked amount per security
Final dividend declared and payable	31st October 2008	6.5 cents	6.5 cents
Interim dividend paid:	11th April 2008	5.0 cents	5.0 cents
Record date for determining entitlements to the dividend: 3rd October 2008			

Brief explanation of revenue and net profit: Please refer to attached ASX announcement accompanying this Appendix 4E.

Information on Audit

The accounts are currently being audited.

The information contained in this report is to be read in conjunction with the last annual report and any announcements to the market by Structural Systems during the period.

Structural Systems
Engineers & Contractors

Consolidated Income Statement

Year Ended 30 June 2008	Note	2008 $'000	2007 $'000
Revenue		280,740	141,226
Other Income		1,833	13
Total Revenue	**2**	**282,573**	**141,239**
Raw materials and consumables used for sale of goods		(5,909)	(5,956)
Construction and servicing costs		(244,169)	(116,531)
Changes in inventories and work in progress		5,142	5,732
Depreciation and amortisation expense		(5,699)	(4,102)
Finance costs		(951)	(381)
Other expenses		(10,752)	(8,017)
Share of net profits of joint ventures & associates accounted for using the equity method		473	332
Profit Before Income Tax Expense		**20,708**	**12,316**
Income tax expense		(5,533)	(3,492)
Profit After Income Tax		**15,175**	**8,824**
Profit / (loss) attributable to minority equity interests		6	-
Profit Attributable to Members Of The Parent Entity		**15,181**	**8,824**
Basic earnings per share (cents)		31.9c	21.2c
Diluted earnings per share (cents)		31.6c	20.3c
Dividends per share paid (cents)		11.0c	9.0c
Weighted average number of shares outstanding during the period used in the calculation of basic earnings per share ('000)		47,609	41,661

The accompanying notes form part of these financial statements

Structural Systems
Engineers & Contractors

Consolidated Balance Sheet

As at 30 June 2008	Note	2008 $'000	2007 $'000
Current Assets			
Cash and cash equivalents	18	2,572	7,126
Trade and other receivables	4	74,899	33,807
Inventories	5	15,020	9,878
Other current assets		287	42
Total Current Assets		**92,778**	**50,853**
Non Current Assets			
Trade and other receivables		2	191
Investment accounted for using equity method		-	839
Property, plant and equipment	6	25,769	20,875
Intangible assets	7	16,188	5,032
Deferred tax assets	8	3,500	1,487
Total Non-Current Assets		**45,459**	**28,424**
Total Assets		**138,237**	**79,277**
Current Liabilities			
Trade and other payables	9	61,799	29,791
Financial liabilities	10	8,232	3,314
Current tax liabilities	11	4,053	3,529
Short term provisions	12	7,116	4,534
Total Current Liabilities		**81,200**	**41,168**
Non–Current Liabilities			
Trade and other payables	9	250	336
Financial liabilities	13	7,573	4,499
Deferred tax liability	14	414	120
Long term provisions	15	590	186
Total Non-Current Liabilities		**8,827**	**5,141**
Total Liabilities		**90,027**	**46,309**
Net Assets		**48,210**	**32,968**
Equity			
Issued Capital	16	29,219	24,460
Share Option Equity		1,061	500
Reserves	17	652	819
Retained earnings		17,330	7,251
Total Parent Entity Interest		48,262	33,030
Minority equity interests		(52)	(62)
Total Equity		**48,210**	**32,968**

The accompanying notes form part of these financial statements

Structural Systems
Engineers & Contractors

STRUCTURAL SYSTEMS LIMITED AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2008

	Note	Share Capital Ordinary	Share Options Equity	Retained Earnings	Asset Revaluation Reserve	Capital Profits Reserve	Foreign Currency Translation Reserve	Minority Equity Interests	Total
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2006		21,013	271	2,440	918	265	(157)	(62)	24,688
Shares issued during the year		3,662							3,662
Shares bought back during the year		(215)							(215)
Shares options issued during the year			229						229
Profit attributable to members of parent entity				8,824					8,824
Translation adjustment on controlled foreign entities' financial statements							(207)		(207)
Profit attributable to minority shareholders								-	
Sub-total		24,460	500	11,264	918	265	(364)	(62)	36,981
Dividends paid or provided for	19			(3,802)					(3,802)
Balance at 30 June 2007		24,460	500	7,462	918	265	(364)	(62)	33,179
Shares issued during the year		4,759							4,759
Shares bought back during the year		-							-
Shares options issued during the year			562						562
Profit attributable to members of parent entity				15,181					15,181
Translation adjustment on controlled foreign entities' financial statements							(167)		(167)
Profit attributable to minority shareholders								10	10
Sub-total		29,219	1,062	22,643	918	265	(531)	(52)	53,524
Dividends paid or provided for	19			(5,315)					(5,315)
Balance at 30 June 2008		29,219	1,062	17,328	918	265	(531)	(52)	48,209

The accompanying notes form part of these financial statements

Structural Systems

Engineers & Contractors

Consolidated Cash Flow Statement

Year Ended 30 June 2008	Note	2008 $'000	2007 $'000
Cash flows from operating activities			
Cash receipts in the course of operations		266,019	146,706
Cash payments in the course of operations		(242,284)	(129,966)
Interest received		410	173
Finance Costs		(1,007)	(389)
Dividends received – SS UK		-	243
GST (remitted to) refunded from the ATO		(7,797)	(5,189)
Income tax (paid) refunded		(6,728)	5
Net cash provided by (used in) operating activities	**18 (b)**	**8,613**	**11,583**
Cash flows from investing activities			
Payments for property, plant and equipment		(4,799)	(2,953)
Proceeds from sale of property, plant and equipment		485	81
Payments for other Non Current Assets		(58)	-
Loan (to) / from associated company (net)		123	(376)
Payment for controlled entities – Rock Australia Pty Ltd		(150)	(93)
Payment for controlled entities – Meridian Concrete (Australia) Pty Ltd		(6,071)	-
Payment for controlled entities – Refobar Australia Pty Ltd	**18**	(165)	(1,827)
Payment for controlled entities – BBR Structural Systems		(206)	(433)
Net cash provided by (used in) investing activities		**(10,841)**	**(5,601)**
Cash flows from financing activities			
Proceeds from borrowings		6,700	-
Lease and lease purchase payments (principal only)		(4,021)	(2,302)
Share buy-back payment		-	(209)
Proceeds from issue of shares on employee options exercised		444	-
Proceeds from issue of shares		32	2,902
Dividends paid by parent entity		(5,315)	(4,013)
Net cash used in financing activities		**(2,160)**	**(3,622)**
Net increase (decrease) in cash held		(4,388)	2,360
Effect of exchange rates on cash holdings		(166)	(207)
Cash at beginning of financial year		7,126	4,973
Cash at end of financial year	**18 (a)**	**2,572**	**7,126**

The accompanying notes form part of these financial statements

Note 1: Statement of Significant Accounting Policies

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

The accounting policies in this report are those that will be included in the annual financial report and have been included in the Appendix 4E disclosures to provide additional information with regards to the accounting policies adopted by the Group.

This report is to be read in conjunction with any public announcements made by Structural Systems Limited during the reporting period.

This financial report includes the consolidated financial statements and notes of Structural Systems Limited and controlled entities ('Consolidated Group' or 'Group').

Basis of preparation

The financial report has been prepared on an accruals basis, and is based on historical costs, modified, where applicable, by the measurement, at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting policies

a) Principles of Consolidation

A controlled entity is any entity Structural Systems Limited has the power to govern the financial and operating policies of so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

As at the reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the consolidated group during the year, their operating results have been included (excluded) from the date control was gained (ceased).

All inter-group balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Minority interests, being that portion of the profit or loss and net assets of subsidiaries attributable to equity interests held by persons outside the group, are shown separately within the equity section of the consolidated Balance Sheet and in the consolidated Income Statement.

Business Combinations

Business combinations occur where control over another business is obtained and results in the consolidation of its assets and liabilities. All business combinations, including those involving entities under common control, are accounted for by applying the purchase method.

The purchase method requires an acquirer of the business to be identified and for the cost of the acquisition and fair values of identifiable assets, liabilities and contingent liabilities to be determined as at acquisition date, being the date that control is obtained. Cost is determined as the aggregate of fair value of assets given, equity issued and liabilities assumed in exchange for control together with costs directly attributable to the business combination. Any deferred consideration payable is discounted to present value using the entity's incremental borrowing rate.

Goodwill is recognised initially at the excess of cost over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If the fair value of the acquirer's interest is greater than cost, the surplus is immediately recognised in profit or loss.

Note 1: Statement of Significant Accounting Policies (cont.)

b) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where the amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted, or substantively enacted as at balance date. Their measurement also reflects the manner in which the management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments, subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax Consolidation

Structural Systems Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under tax consolidation legislation. Structural Systems Limited is responsible for recognising the current and deferred tax assets and liabilities for the tax consolidated group. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity. The tax consolidated group has not entered a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

Note 1: Statement of Significant Accounting Policies (cont.)

c) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost includes direct materials, direct labour, other direct variable costs and allocated production overheads necessary to bring inventories to their present location and condition, based on normal operating capacity of the production facilities.

Manufacturing activities

The cost of manufacturing inventories and work-in-progress are assigned on a weighted average basis. Costs arising from exceptional wastage are expensed as incurred.

d) Construction Contracts and Work in Progress

Construction work in progress is valued at cost, plus profit recognised to date less any provision for anticipated future losses. Cost includes both variable and fixed costs relating to specific contracts, and those costs that are attributable to the contract activity in general and that can be allocated on a reasonable basis.

Construction profits are recognised on the stage of completion basis and measured using the proportion of costs incurred to date as compared to expected actual costs. Where losses are anticipated they are provided for in full.

Construction revenue has been recognised on the basis of the terms of the contract adjusted for any variations or claims allowable under the contract.

e) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the re-valued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed or internally generated within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Note 1: Statement of Significant Accounting Policies (cont.)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Leasehold improvements	20.0%
Plant and equipment	10.0%
Leased assets	
- Plant and Equipment	15.0%
- Mining Equipment	25.0%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater that it's estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to the capital profits reserve.

f) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the consolidated group are classified as financial leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

g) Financial Instruments

Recognition and Initial Movement

Financial instruments incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Note 1: Statement of Significant Accounting Policies (cont.)

Financial instruments are initially measured at fair value plus transaction costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition
Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Classification and subsequent Measurement

(i) Financial assets at fair value through profit and loss
A financial asset is classified in this category if acquired principally for the purpose of selling in the short term, or if so designated by management and within the requirement of AASB139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

(ii) Loans and Receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

(iii) Held-to-maturity investments
Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the group's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

(iv) Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(v) Financial liabilities
Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Derivative instruments
Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the income statement unless they are designated as hedges.

Fair value
Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment
At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instruments is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

Note 1: Statement of Significant Accounting Policies (cont.)

h) Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

i) Investment in Associates

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting. The equity method of accounting recognises the group's share of post acquisition reserves of its associates.

j) Interests in Joint Ventures

The consolidated group's interests in joint venture entities are brought to account using the equity method of accounting in the consolidated financial statements. The parent entity's interests in joint venture entities are brought to account using the cost method.

k) Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets, liabilities and contingent liabilities at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investment in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

l) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

Note 1: Statement of Significant Accounting Policies (cont.)

Group companies
The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date.
- Income and expenses are translated at average exchange rates for the period, and
- Retained profits are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed.

m) Employee Benefits
Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

Equity-settled compensation
The group operates an equity-settled share-based payment employee share and option schemes. The fair value of the equity to which the employees become entitled is measured at grant date and recognized as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market-price bid. The fair value of options is ascertained using a Black-Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

n) Provisions
Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

o) Cash and Cash Equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

p) Revenue and Other Income
Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to he transfer of significant risks and rewards of ownership of the goods and the cessation of all ownership of those goods.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Note 1: Statement of Significant Accounting Policies (cont.)

Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Revenue relating to construction activities is further detailed in Note 1 (d).

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at reporting date and where outcome of the contract can be established reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognized only to the extent that related expenditure is recoverable.

Investment property revenue is recognised on a straight line basis over the period of the lease term, so as to reflect a constant periodic rate of return on net investment.

q) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the income statement in the period in which they are incurred.

r) Goods and Service Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset, or as an expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

s) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

t) Rounding of Amounts

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

u) Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the consolidated group.

The directors believe that the estimates and assumptions used during the year would not have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

	2008 $'000	2007 $'000
2. Revenue		
Operating Activities		
Sale of goods	9,083	8,041
Rendering of services	270,494	132,450
Interest		
▪ Other parties	410	173
Other Revenue	753	562
	280,740	**141,226**
Non-operating activities		
Gain on disposal of non-current investments – SS UK	**1,787**	**-**
Gain on disposal of property, plant & equipment	**46**	13
Total Revenue	**282,573**	**141,239**
3. Profit for the year		
Profit before income tax is arrived at after charging the following items:		
Amortisation and depreciation of:		
▪ Buildings	50	50
▪ Plant and equipment	5,643	4,052
▪ Leasehold improvements	5	-
Bad and doubtful debts expense	(9)	246
Interest paid and due and payable:		
▪ Other persons	301	83
▪ Related Parties	-	-
▪ Finance charges on capitalised assets	649	297
Rental – operating leases	777	448
Loss on disposal of plant and equipment	(38)	-
4. Trade and other receivables (current)		
Trade debtors	71,505	34,173
Provision for impairment of receivables	(540)	(547)
	70,965	33,626
Loans and advances to staff	38	42
Other debtors and deposits	3,896	139
Loans to associated entities	-	-
	74,899	**33,807**
5. Inventories (current)		
Raw materials and stores at cost	8,669	6,307
Construction work in progress at cost	6,351	3,571
	15,020	**9,878**

	2008 $'000	2007 $'000
6. Property plant and equipment		
Freehold land		
At Fair Value	1,733	1,733
At Cost – Subsequent additions	1,851	1,851
	3,584	**3,584**
Buildings		
At Directors valuation (2001)	1,466	1,466
At cost – subsequent additions	133	119
Accumulated depreciation	(670)	(621)
	929	**964**
Leasehold improvements		
At cost	80	59
Accumulated amortisation	(64)	(59)
	16	**-**
Plant, equipment and motor vehicles		
At cost	44,815	33,861
At Directors valuation 1995 (note 7a) – deemed cost	295	295
Accumulated depreciation	(23,870)	(17,905)
	21,240	**16,251**
Leased assets at assessed value	-	264
Accumulated amortisation	-	(188)
	-	**76**
Total plant, equipment and motor vehicles	**21,240**	**16,327**
Total	**25,769**	**20,875**

The value of freehold land and buildings, in the Directors opinion, represents the current market value.

(a) The Directors valuation was carried out in June 1995 and was on the basis of the current market value of the assets concerned.

	2008 $'000	2007 $'000
7. Intangible Assets		
Goodwill at cost	16,188	5,032
Accumulated impaired losses	-	-
	16,188	**5,032**
8. Deferred tax assets		
Provisions	3,500	1,487
Tax losses	-	-
	3,500	1,487
9. Trade and other payables		
<u>CURRENT</u>		
Trade payables	24,145	8,636
Sundry payables and accruals	22,974	4,128
Contract billings in advance - due to customers for contract works	14,680	17,027
	61,799	**29,791**
<u>NON-CURRENT</u>		
Consideration outstanding on acquisition of acquired portion of BBR Structural Systems JV	**250**	**336**
10. Financial Liabilities (current)		
Convertible notes	-	19
Other loans	5	0
Commercial Bills	3,900	-
Lease liability	-	75
Lease purchase liability	4,327	3,220
	8,232	**3,314**
11. Tax Liabilities (current)		
Income tax	**4,053**	**3,529**
12. Provisions (current)		
Employee benefits	**7,116**	**4,534**
13. Financial Liabilities (non current)		
Commercial bills	2,800	-
Lease liability	-	-
Lease purchase liability	4,773	4,499
	7,573	**4,499**
14. Deferred tax liability		
Tax allowances relating to property, plant & equipment	414	120
Revaluation adjustments taken directly to equity	-	-
Income tax	-	-
	414	**120**
15. Provision (non current)		
Employee benefits	**590**	**186**

	2008 $'000	2007 $'000
16. Issued capital		
Issued and paid up capital, 49,141,824 (2007– 46,437,886) fully paid ordinary shares	29,219	24,460
Movements in ordinary share capital		
Balance at the beginning of the financial year	24,460	21,013
Shares issued:		
Convertible Notes converted	-	454
Options on convertible notes converted exercised	9	2,352
Employee share plan	444	556
Shares issued for minority share of Rock Engineering	300	300
Shares issued as part-consideration for Meridian Concrete Australia Pty Ltd	4,000	-
Other	6	-
Share buy back	-	(215)
	29,219	**24,460**
17. Reserves,		
a. Asset Revaluation reserve		
▪ Balance at beginning of year	918	918
▪ Transfer to capital profits reserve		
- realised increment on freehold land sold during the year.	-	-
▪ Realisation of deferred tax on disposal of asset	-	-
▪ Balance at end of year	**918**	**918**
b. Capital Profits Reserve		
▪ Balance at beginning of year	265	265
▪ Transfer from asset revaluation reserve – realised increment on freehold land sold.	-	-
▪ Transfer from retained profits		
- Capital profit on sale of freehold land	-	-
▪ Balance at end of year	**265**	**265**
c. Foreign Currency Translation Reserve		
▪ Balance at beginning of year	**(363)**	**(157)**
▪ Translation adjustment on controlled foreign entities	**(168)**	**(207)**
▪ Transfer to retained profits	**-**	**-**
▪ Balance at end of year	**(531)**	**(364)**
Total Reserves	**652**	**819**

	2008 $'000	2007 $'000
18. Notes to Cash Flow Statement		
a. Components of cash and cash equivalents		
Cash on hand	19	17
Cash at bank	2,553	7,109
	2,572	7,126
Bank overdrafts	-	-
	2,572	**7,126**
b. Reconciliation of cash flow from operations with profit after income tax		
Profit after income tax	15,174	8,824
Non-cash flows in profit:		
Depreciation and amortisation	5,699	4,102
Provision for Impairment of receivables	(2)	9
Net (profit) loss on sale of property, plant & equipment	37	(12)
Net (profit) loss on sale of non-current investment	(1,787)	-
Bad and doubtful debts		273
Remuneration Expense – share based payments	562	229
Share of net profit of joint venture using the equity method	(473)	(332)
Change in operating assets and liabilities:		
▪ (Increase) decrease in trade and other receivables	(37,847)	(8,822)
▪ (Increase) decrease in inventories	(5,142)	(4,901)
▪ (Increase) decrease in prepayments	(245)	400
▪ (Decrease) increase in trade and other payables	30,844	6,726
▪ (Decrease increase in provisions	2,987	1,590
▪ (Decrease) increase in income tax payable	524	3,528
▪ (Decrease) increase in deferred tax liabilities	19	(387)
▪ Decrease (increase) in deferred tax assets	(1,737)	356
Net cash inflow from operating activities	**8,613**	**11,583**
c. Non cash financing and investing activities		
Plant and equipment acquired under finance leases, lease purchase or Vendor finance	**5,325**	**6,688**
Shares used as consideration for acquiring controlled entity – Refer 18 (d)	**4,300**	**300**

(d) Acquisition of Entities

Meridian Concrete Australia Pty Ltd

On the 8th November 2007, the company acquired the business of Meridian Concrete Pty Ltd which subsequently traded as Meridian Concrete (Australia) Pty Ltd; a 100% owned subsidiary of Structural Systems Limited. Meridian Concrete Australia Pty Ltd is the largest supply & place concrete contractor in the Victorian construction market.
Details of the transaction are:

	$
Purchase consideration (including 1st earn-out payment)	11,405,392
Share issue (held in escrow)	(4,000,000)
Amount due under contract of sale (1st earn-out payment)	(1,334,000)
Cash consideration / outflow	6,071,392
Assets and liabilities held at acquisition date:	
Receivables	-
Inventories	-
Plant and equipment	991,460
Payables	-
	991,460
Goodwill on consolidation	10,413,932
	11,405,392

The earn-out payments are dependant upon a number of conditions in respect of the future performance of the company, and cover a period of three years. The maximum payable in respect of the earn-out incentives is an additional $5,334,000 in cash of which the first earn-out payment of $1,334,000 has been provided for in the financial report.
The goodwill is attributable to the profitability of the business acquired and expected future growth.
The assets and liabilities arising from the acquisition are recognised at fair value which is equal to its carrying value.
Profit before income tax earnt by Meridian Concrete (Australia) Pty Ltd included in the consolidated profit of the group since the acquisition date amounted to $3,715,573

Deferred Payments under contracts of sale:

Meridian Concrete Australia Pty Ltd	6,071,392
BBR Structural Systems	205,701
Refobar Australia Pty Ltd	165,000
Rock Australia Pty Ltd	150,000
	6,592,093

(e) Disposal of Entities

On 30 June 2008, the company disposed of its 40% share in Structural Systems (UK) Limited for a consideration of $1,859,504. The amount due was received shortly after balance date.

19. Dividends

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
Final dividend: Year 2008	Current	31st October 2008	6.5¢	6.5¢	0¢
Year 2007	Previous	19 October 2007	6.0¢	6.0¢	0¢
Interim dividend: Year 2008	Current	11 April 2008	5.0¢	5.0¢	0¢
Year 2007	Previous	13 April 2007	4.0¢	4.0¢	0¢

19. Dividends (Cont.)

Total dividend per security (interim plus final)

Current Year	Previous Year
11.5 cents	10.0 cents

20. Dividend Reinvestment

The dividend or distribution plans shown below are in operation.

Dividend Reinvestment Plan is not in operation for current year final dividend

Any other disclosures in relation to dividends (distributions).

N/A

21. NTA Backing

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	65.3 cents	60.3 cents

22. Details Of Entities Over Which Control Has Been Gained Or Lost

On 8 November 2007, Structural Systems Limited acquired all shares on issue of Meridian Concrete (Australia) Pty Ltd

23. 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 $'000	Previous Corresponding Period $'000
Structural Systems (UK) Ltd	0%	40%	0	332

24. Foreign Entities

Accounting Standards used in compiling financial reports:

Australian Accounting Standards

25.SEGMENT REPORTING

	Construction		Mining		Corporate		Eliminations		Economic Entity (Continuing Operations)		Discontinuing Operations Fire Systems	
	30/06/08 $'000	30/06/07 $'000	30/06/08 $'000	30/06/07 $'000	30/06/08 $'000	30/06/07 $'000	30/06/08 $'000	30/06/07 $'000	30/06/08 $'000	30/06/07 $'000	30/06/08 $'000	30/06/07 $'000
Primary reporting – Business segments												
REVENUE												
External sales	240,465	115,889	39,111	24,602	-	-	-	-	279,576	140,491	-	-
Other segments	458	556	-	-	9,872	4,184	(7,789)	(4,165)	2,541	575	-	-
Total sales revenue	240,923	116,445	39,111	24,602	9,872	4,184	(7,789)	(4,165)	282,117	141,066	-	-
Unallocated revenue									456	173		
Total revenue									282,573	141,239		
RESULTS												
Segment result	16,203	10,100	3,216	1,805	2,127	978	(1,312)	(899)	20,235	11,984	-	-
Share of net profits of equity accounted associates and joint venture entities	473	332	-	-	-	-	-	-	473	332	-	-
									20,708	12,316	-	-
Income tax expense									(5,533)	(3,492)	-	-
Profit after income tax									15,175	8,824	-	-
ASSETS												
Segment assets	123,768	68,462	14,474	11,302	-	-	-	-	138,237	79,764	-	-
Discontinued operations assets									-	-		
Total assets									138,237	79,764		

25. SEGMENT REPORTING (CONTINUED)

	Construction		Mining		Corporate		Eliminations		Economic Entity (Continuing Operations)		Discontinuing Operations Fire Systems	
	30/06/08 $'000	30/06/07 $'000	30/06/08 $'000	30/06/07 $'000	30/06/08 $'000	30/06/07 $'000	30/06/08 $'000	30/06/07 $'000	30/06/08 $'000	30/06/07 $'000	30/06/08 $'000	30/06/07 $'000
LIABILITIES												
Segment liabilities	82,281	38,790	7,745	7,790	-	-	-	-	90,026	46,580	1	4
Discontinued operations liabilities									1	4		
Total liabilities									90,027	46,584		
OTHER												
Investments accounted for using the equity method	-	839	-	-	-	-	-	-	-	839	-	-
Acquisitions of non-current segment assets (incl. HP & Leases)	8,980	9,424	2,142	1,410	-	-	-	-	11,122	10,834	-	-
Depreciation and amortisation of segment assets	4,725	3,144	974	958	-	-	-	-	5,699	4,102	-	-
Other non-cash segment expenses	562	511	-	-	-	-	-	-	562	511	-	-

	Australia		United Arab Emirates		United Kingdom		Poland		Economic Entity	
	2008 $'000	2007 $'000	2008 **$'000**	2007 $'000	**2008 $'000**	2007 $'000	**2008 $'000**	2007 $'000	**2008 $'000**	2007 $'000
Secondary reporting – Geographical segments										
Segment revenues for external customers	**273,080**	133,550	**9,021**	7,689	**-**	-	**472**	-	**282,573**	141,239
Carrying amount of segment assets	**132,168**	73,403	**5,769**	5,522	**-**	839	**300**	-	**138,237**	79,764
Acquisition of non-current segment assets	**11,017**	10,835	**17**	-	**-**	-	**88**	-	**11,122**	10,835