



## **HALF YEAR FORECAST AND MARKET UPDATE**

**20<sup>th</sup> January 2010**

The Board of Structural Systems Limited ("the Company") advise that the half year result is expected to be a loss in the order of \$5.5 million NPBT on turnover of \$130 million. Included in this result are losses associated with the construction business in Victoria and the discontinued formwork business that amount to \$8.8 million. As previously advised this result does not allow for any recovery of claims related to resolution of projects subject to commercial disputes. The circumstances of these disputed amounts have not changed since our previous announcement and it remains the Company's intention to pursue these claims.

As announced to the market on 25 November 2009, the Company is in the process of finalising the last of its formwork projects and wrapping up all outstanding matters associated with that business. Further to the November Market Update, it is now apparent that the losses associated with the completion of the construction contracts in this discontinued business are going to be greater than originally forecast. These additional losses, combined with delays beyond the Company's control to the forecast start dates of several recently secured key projects, has meant that the board has taken the view that the reforecast for the 2010 year is now in the range of \$0 to \$3 million NPBT. The projects that are now commencing later than first anticipated will have a greater contribution to the 2011 financial year.

While the forecast result for 2010 year is disappointing, the ongoing businesses within the Group are performing well. Work in hand at the end of November was \$193 million. Contracts for our mining services, post-tensioning and civil divisions make up the majority of this work. This is the first time in recent years that the majority of the Group's order book has not been made up of formwork and structure package contracts.

For further information please contact the undersigned.

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