Structural Systems

Media Release

27 August 2010

The Directors of Structural Systems Limited ("The Company" and "Group") today announced that the Group had recorded a net profit after tax of $3.27 million for the year ended 30 June 2010. This result was 63% down on the $8.91 million reported for the last financial year. The Directors have resolved that a fully franked dividend of 2.5 cents per share will be declared. The record date for determining entitlement to the dividend is the 17 October 2010 and is payable on 22 October 2010.

Managing Director Mr David Perry said "the split of work-in-hand (WIH) at 30 June 2010 demonstrates the strategic change in direction the Company has implemented over the last twelve months. Of the $202 million of secured WIH 48% is contracts to be completed by our mining services business Rock Australia. During the year, Rock secured its first drilling contract in Queensland and now has term contracts underway in Western Australia, New South Wales and Queensland. We are confident that the success Rock has achieved over the last twelve months can continue into the new financial year".

"Historically, the Company's WIH has been dominated by exposure to the Victorian construction market. At year end this market segment represented only 16% of the Company's order book. Whilst the exit from the formwork business has been a very costly process shareholders can take comfort that the strategy announced at the 2009 AGM is well underway".

"Despite what has been a tough year in the construction markets throughout Australia and the Middle East the Company's post tensioning businesses have performed very well. All of our post tensioning divisions have maintained their market share as well as producing consistently profitable results. Our major projects division continues to grow and now has a solid team of experienced construction personnel based throughout Australia. While dam upgrade works have been a significant part of this division's work completed during the year, bridges, tanks and slipform structure works were also undertaken".

"Part of our strategic plan for 2010 was to achieve a lower risk profile for the business. We were conscious that debt levels at the end of last financial year had reached record levels. Debt reduction was a key element in lowering the overall risk of the business. The share placement / capital raising completed in August – September 2009 was part of this strategy but strong cashflow from operations and a reduction in working capital requirements due to the sale of the formwork division allowed us to reduce net debt to equity from 42% to 12%".

"The results of our concrete supply and placement division Meridian Concrete Australia were affected by the closure of our formwork division. As part of our strategy to reduce the exposure to the general contracting market in Victoria we have seen volumes of work undertaken by Meridian also reduce" he said.

Mr Perry said " we are yet to see an improvement in liquidity in the construction markets in the Middle East. Despite a record result for the 2010 year the plan for this region going forward is a conservative one".

Company Chairman Mr Robert Freedman said "I am very pleased to be able to advise shareholders of a return to dividend payments in the 2010 year. The fully franked payment of 2.5 cents per share demonstrates the belief we have in the Company's solid financial position. I am confident that the opportunities available for our continuing operations will drive EPS growth and increases in shareholder returns in the future".

About Structural Systems Limited

The company commenced as BBR Australia Pty Ltd in 1961 and was listed on the Australia Stock Exchange as Structural Systems Limited, in 1987. The Company has three operating divisions

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including Post-Tensioning, Construction and Mining and Civil Services. These divisions provide post-tensioning, concrete supply and placement, remedial, componentry manufacturing, ground control and drilling to the Construction, Civil, Resource and Energy Industries both nationally and internationally. Structural Systems operates throughout Australia and the Middle East and has in excess of 800 employees worldwide.

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

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2009/2010

APPENDIX 4E

FOR YEAR ENDED 30 JUNE 2010
ISSUED 27 AUGUST 2010

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

Results for Announcement to the Market

For the year ended 30 June 2010

Name of Entity

STRUCTURAL SYSTEMS LIMITED ABN 57 006 413 574

Revenue and Earnings Information		**Amount $'000**
Revenues from ordinary activities	Up 6% to	253,585
Profit (loss) from ordinary activities before income tax expense	Down 33% to	9,130
Net profit (loss) from ordinary activities after tax (before outside equity interests)	Down 33% to	9,255
Net profit (loss) for the period attributable to members	Down 63% to	3,270

Dividends (Distributions)		**Amount per security**	**Franked amount per security**
Final dividend declared and payable: 22 October 2010		2.5 cents	2.5 cents
Record date for entitlement to the dividend: 17 September 2010			
Interim dividend paid:	n/a	0 cents	0 cents

Brief explanation of revenue and net profit:

Please refer to attached ASX announcement accompanying this Appendix 4E. Items discussed above referring to ordinary activities exclude the loss from the discontinued operation of $5,985,000 (2009: $4,584,000).

Current Reporting Period: Financial year ending 30th June 2010

Previous Corresponding Period: Financial year ending 30th June 2009

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.

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Commentary on the Results

For the year ended 30 June 2010

Trading

Total revenue from continuing operations increased by $14.96 million (6%) to $253.59 million. Profit before income tax expense from continuing operations decreased by 34% to $9.13 million. Profit after tax including continuing and discontinued operations decreased by 63% to $3.27 million. Earnings were significantly affected by losses from discontinued operations. Losses from discontinued operations were $5.99 million compared to losses of $4.58 million in 2009. Outside of the losses from discontinued operations and construction activities in Victoria all other divisions within the Group traded profitably and reported solid results for the period under review.

Depreciation expense increased by $570K to $7.72 million. Interest expense decreased by $477K to $1.08 million.

Tax benefit for the year ended 30th June 2010 was $125K or 1.4% of profit before tax and discontinued operations, as a combined result of the tax-exempt income derived from overseas operations and the 2009 financial year R&D tax concessions, accounted for in financial year 2010.

Debt

The Company's net debt decreased in the period from $23.98 million to $5.67 million. This reduction was due to the share placement /capital raising and an increased cash generated from the business. Debt related to Hire Purchase funding of capital equipment reduced from $8.99 million to $8.21 million. Borrowings for the acquisition of Meridian Concrete in 2007 have been substantially paid off and at balance date only $400K remained outstanding. A total of $2.4million was repaid during the period in relation to debt associated with the acquisition of Meridian Concrete. With the sale of the formwork business in October 2009 the working capital requirements for the Group have decreased considerably. As a result there was no general debt funding for working capital at 30 June 2010. This is a reduction of $13.55 million from the balance as at 30 June 2009.

Assets

During the year total assets decreased by $2.07 million to $137.41 million. Whilst revenue from continuing operations increased during the year, total revenue from all operations decreased. As a result debtors reduced by $4.17 million to $65.48 million. The value of plant & equipment after depreciation and disposals decreased by $2.06 million to $28.58 million. Plant & equipment purchased during the year by cash or hire purchase funding totalled $7.023 million. The value of inventories decreased by $4.91 million to $13.52 million.

Earnings per share

Basic earnings per share from continuing and discontinued operations decreased by 71% to 5.3 cents compared to 18.1 cents for the corresponding period. The total number of shares on issue at 30 June 2010 was 63.88 million. A share placement was competed in August 2009 and 7.37 million additional shares were issued as a result. This share placement was followed by a share purchase plan (SPP) in September 2009 and 7.37 million additional shares were issued. The total amount raised by the share placement and SPP was $11.05 million. Diluted earnings per share decreased from 18.1 cents to 5.3 cents.

Cashflow

Cashflow from operations was $13.54 million for the twelve months compared to $6.99 million for the corresponding period. A total of $12.40 million of debt was repaid in the period which included $2.40 million of the Meridian acquisition facility.

Dividends

The Director's resolved to declare a final dividend of 2.5 cents per share for the year. The dividend is payable on 22 October 2010.

Work in hand
The balance of work-in-hand (WIH) at the end of June 2010 was $202 million. This value is an increase on the balance at 30 June 2009. As advised previously the Group's focus is being directed towards the infrastructure, civil and mining services market sectors. Rock Australia now accounts for 48% of total WIH.

The exposure to general building contracting in Victoria continues to reduce and at 30 June WIH in this sector accounted for 9% of overall WIH volume. Historically, the Victorian construction market has represented around 40% of the Group's WIH balances.

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

- **Mining & Civil Services**

Revenue from activities undertaken by Rock Australia during the year increased by 46% to $70.365 million. Production drilling was the dominant single activity undertaken during the year and accounts for 36% of total revenue. The major clients that Rock provided drilling services to under term contracts include Newcrest Mining, Rio Tinto, BHP, Barrick Gold and Consolidated Minerals. Rock continues to expand it presence into the eastern states of Australia and during the year secured its first major drilling contract in QLD at Mt Rawdon. This success was followed shortly after with the securing of another major drilling contract at the Lady Annie site near Mt Isa. Presently, Rock has 8 term drilling contracts underway with 6 extending past the end of the 2011 financial year.

During the year, Rock saw an increasing demand for its combined services package offering in the mining sector and some of the major projects undertaken include the construction of the primary crusher pockets at the Sino Iron project in Western Australia, pit rehabilitation works at Mount Gibson's Koolan Island project and retaining wall support works for Xstrata at the Cosmos mine site.

Package services were also in demand in the civil sector and major works completed during the year include rock fall protection works at Kepperra and Kuranda in QLD. Package service works accounted for 39% of Rock's revenue.

Revenue from the sale and hire of radar units increased during the year and accounted for 7% of total revenue. Rock has ongoing radar service support contracts throughout Australia and Asia.

Geotechnical services provided to the mining sector accounted for 14% of Rock's revenue. Some of the geotechnical projects undertaken during the year include KCGM Super Pit ground support works and BHP Mount Keith ground support works.

Open pit mining continues to be the largest source of revenue for Rock with 63% of Rock's revenue coming from activities provided for open pit mines. Civil and infrastructure activity undertaken continues to increase and accounted for 31% of revenue for the division.

- **Post-Tensioning**

Revenue from Post-Tensioning and related activities decreased by $12.20 million to $89.93 million for the 2010 year. The reduction in volumes were due to a softening in general construction activity in the private sector throughout Australia and the Middle East. The post tensioning divisions were able to maintain market share during this period and profitability in overall terms from this activity was up on the prior year.

Post tensioning activities in the general construction market were heavily underpinned by Government funded works. Throughout Australia Structural Systems has established a position as the contractor of choice in delivering design and construct solutions to major hospital upgrades and new works undertaken by Government. Significant hospital works during the period include Fiona Stanley Perth , Royal North Shore Sydney, Liverpool, Gold Coast University, Melbourne's Royal Children's and Warrnambool Hospitals.

The Company continued its dominance in dam upgrade works and during the year had three major dam upgrades ongoing concurrently. Due to the company's strong track record in successfully delivering these upgrade works, the Company, at the client's request, has now taken a broader role in dam works including temporary access works, concrete excavation and construction, drilling and permanent anchoring.

Infrastructure works featured prominently in the work undertaken during the year. Noteworthy projects include:

- The supply of post tensioning and formwork traveller to the bridge over Belconnen Way in Canberra. This project was secured through an alternative construction method proposed by Structural Systems.
- Completion of the installation of the world's largest capacity anchors at the Catagunya Dam project in Tasmania.
- Securing the Tinaroo Dam upgrade works which include the installation of the largest permanent anchors installed in Queensland.
- Securing and successfully completing the Company's first slipform project in Sydney NSW.

Middle East

Concerns regarding security of payment and general payment terms resulted in the Company taking a conservative approach to the securing of new work in the Middle East during the 2010 year. This approach combined with a reduction in opportunities due to a significant slow down in overall construction activity in the Gulf region resulted in revenue reducing by 27% to $14.66 million. Despite the lower work volumes the Middle East division was able to achieve a record profit for the 2010 year. The division was well placed coming into the 2010 year with a high level of work in hand and this protected the division from the surrounding economic circumstances. The appreciation of the Australian dollar during the 2010 year had the effect of reducing profit by 18%.

- **Construction**

As previously advised to the market, the formwork operations were sold in October 2009. Although the Company had started to reduce its level of formwork activity prior to the time of the sale it still had a number of projects being completed and a number of projects still within the defect liability period. Overall revenue for construction in Victoria which includes all operations decreased from $172.40 million to $98.30 million. The Company's remedial division in Victoria performed well in the year and increased revenue by 26% to $6.76 million.

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Dated: 27 August 2010

Structural Systems

Income Statement

Year Ended 30 June 2010	Note	2010 $'000	2009 $'000
Revenue		253,585	238,621
Total Revenue	1	253,585	238,621
Changes in inventories and work in progress		(5,082)	2,412
Construction and servicing costs		(219,027)	(205,506)
Depreciation and amortisation expense		(7,717)	(7,148)
Finance costs		(1,083)	(1,564)
Raw materials and consumables used for sale of goods		(2,459)	(2,186)
Other expenses		(9,087)	(10,807)
Profit Before Income Tax Expense		**9,130**	**13,822**
Income tax benefit / (expense)		125	(331)
Profit for the Year from Continuing Operations		**9,255**	**13,491**
Discontinued Operation			
Loss for the year from discontinued operation	6d)	(5,985)	(4,584)
Profit for the year		**3,270**	**8,907**
Loss attributable to minority equity interests		-	(20)
Profit attributable to Members of the Parent Entity		**3,270**	**8,887**
Continuing & Discontinuing Operations			
Basic earnings per share		5.3c	18.1c
Diluted earnings per share		5.3c	18.1c
Dividends per share paid (cents)		-	6.5c
Continuing Operations			
Basic earnings per share (cents)		15.1c	22.0c
Diluted earnings per share (cents)		15.1c	22.0c
Weighted average number of shares outstanding during the period used in the calculation of earnings per share ('000)		61,441	49,142

The accompanying notes form part of these financial statements

Statement of Comprehensive Income

Year Ended 30 June 2010	Note	2010 $'000	2009 $'000
Profit for the period		3,270	8,887
Other Comprehensive income			
Exchange differences arising on translation of foreign operations		(77)	(81)
Gain / (loss) on revaluation of property		-	2,833
Other comprehensive income for the period (net of tax)		(77)	2,752
Total comprehensive income for the period		**3,193**	**11,639**
Total comprehensive income attributable to:			
Owners of the parent		3,193	11,639
		3,193	**11,639**

The accompanying notes form part of these financial statements

Structural Systems

Statement of Financial Position

As at 30 June 2010	Note	2010 $'000	2009 $'000
Current Assets			
Cash and cash equivalents	6a)	2,936	1,364
Trade and other receivables	3	65,477	69,647
Inventories		13,523	18,433
Other current assets		258	291
Total Current Assets		**82,194**	**89,735**
Non Current Assets			
Trade and other receivables		4	-
Investments accounted for using the equity method		184	-
Property, plant and equipment		28,577	30,633
Intangible assets		20,439	16,185
Deferred tax assets		6,009	2,927
Total Non-Current Assets		**55,213**	**49,745**
Total Assets		**137,407**	**139,480**
Current Liabilities			
Trade and other payables	4	48,640	47,617
Financial liabilities		4,795	21,253
Short term provisions		4,735	6,498
Total Current Liabilities		**58,170**	**75,368**
Non–Current Liabilities			
Trade and other payables		7	51
Financial liabilities		3,814	4,087
Deferred tax liabilities		3,291	2,262
Long term provisions		1,219	1,045
Total Non-Current Liabilities		**8,331**	**7,445**
Total Liabilities		**66,501**	**82,813**
Net Assets		**70,906**	**56,667**
Equity			
Issued Capital	5	41,056	30,010
Reserves		3,557	3,634
Retained earnings		26,293	23,023
Total Equity		**70,906**	**56,667**

The accompanying notes form part of these financial statements

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Structural Systems Limited and Controlled Entities

Consolidated statement of changes in equity for the year ended 30 June 2010

	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 2008		**29,219**	**1,062**	**17,329**	**918**	**265**	**(531)**	**(52)**	**48,210**
Shares options issued during the year		-	(271)		-	-	-	-	(271)
Profit attributable to members of parent entity		-	-	8,887	-	-	-	-	8,887
Translation adjustment on controlled foreign entities' financial statements		-	-	-		-	155	-	155
Revaluation Increment		-	-	-	2,833	-	-	-	2,833
Acquisition of minority share		-	-	-	-	-	-	62	62
Disposal of controlled entity		-	-	-	-	-	(6)	(30)	(36)
Profit attributable to minority shareholders		-	-	-	-	-	-	20	20
Share options exercised / cancelled during the period		791	(791)	-	-	-	-	-	-
Sub-total		30,010	-	26,216	3,751	265	(382)	-	59,860
Dividends paid or provided for		-	-	(3,193)	-	-	-	-	(3,193)
Balance at 30 June 2009		**30,010**	**-**	**23,023**	**3,751**	**265**	**(382)**	**-**	**56,667**
Shares issued during the year		11,046	-	-	-	-	-	-	11,046
Profit attributable to members of parent entity		-	-	3,270	-	-	-	-	3,270
Translation adjustment on controlled foreign entities' financial statements		-	-	-	-	-	(77)	-	(77)
Sub-total		41,056	-	26,293	3,751	265	(459)	-	70,906
Dividends paid or provided for		-	-	-	-	-	-	-	-
Balance at 30 June 2010		**41,056**	**-**	**26,293**	**3,751**	**265**	**(459)**	**-**	**70,906**

The accompanying notes form part of these financial statements

Statement of Cash Flows

Year Ended 30 June 2010	Note	2010 $'000	2009 $'000
Cash flows from operating activities			
Cash receipts in the course of operations		311,455	355,478
Cash payments in the course of operations		(297,911)	(348,491)
		13,544	6,987
Dividend received		-	1,240
Interest received		39	87
Finance costs		(1,067)	(1,546)
Income tax (paid) refunded		3,619	(6,883)
Net cash provided by (used in) operating activities	6 (b)	**16,135**	**(115)**
Cash flows from investing activities			
Proceeds from sale of associated company		-	1,860
Proceeds from sale of discontinued operations		1,089	-
Payments for property, plant and equipment		(2,717)	(3,646)
Proceeds from sale of property, plant and equipment		115	497
Loan (to) / from associated company (net)		(48)	117
Payment of deferred consideration for:			
– Meridian Concrete (Australia) Pty Ltd		(2,255)	(1,334)
– Refobar Australia Pty Ltd		(170)	(219)
– BBR Structural Systems		(269)	-
Net cash provided by (used in) investing activities		**(4,255)**	**(2,725)**
Cash flows from financing activities			
Proceeds from issue of shares		11,046	-
Proceeds from borrowings		-	8,500
Lease and lease purchase payments (principal only)		(5,329)	(4,971)
Repayment of borrowings		(12,400)	(2,400)
Dividends paid by parent entity		-	(3,194)
Net cash used in financing activities		**(6,683)**	**(2,065)**
Net increase (decrease) in cash held		5,197	(4,905)
Effect of exchange rates on cash holdings		(77)	149
Cash at beginning of financial year		(2,184)	2,572
Cash at end of financial year	6 (a)	**2,936**	**(2,184)**

The accompanying notes form part of these financial statements

Note 1. Revenue

	2010 $'000	2009 $'000
Operating Activities		
Sale of goods	5,379	7,062
Rendering of services	247,202	230,203
Interest		
▪ Other parties	39	87
Other revenue	909	1,269
	253,529	238,621
Non-operating activities		
Gain on disposal of property, plant & equipment	56	-
Total Revenue	**253,585**	**238,621**

Note 2. Profit for the year

	2010 $'000	2009 $'000
Profit before income tax is arrived at after charging the following items:		
Depreciation and amortisation of:		
• Buildings	64	77
• Plant and equipment	7,653	7,071
Bad and doubtful debts expense / (recovered)	11	(72)
Interest paid and due and payable:		
• Other persons	421	728
• Finance charges on assets under hire purchase	662	836
Rental – operating leases	1,115	892
Loss on disposal of associate	-	(101)
Loss on disposal of plant and equipment	-	(22)

Note 3. Trade and other receivables (current)

	2010 $'000	2009 $'000
Trade debtors	61,708	65,580
Provision for impairment of receivables	(428)	(417)
	61,280	65,163
Loans and advances to staff	6	18
Current income tax receivable	724	3,706
Other debtors and deposits	3,467	576
Loans to associated entities	-	184
	65,477	**69,647**

Note 4. Trade and other payables

	2010 $'000	2009 $'000
Trade payables	23,960	15,315
Sundry payables and accruals	10,492	14,390
Contract billings in advance - due to customers for contract works	14,188	17,912
	48,640	**47,617**

Note 5. Issued capital

	2010 $'000	2009 $'000
Issued and paid up capital, 63,884,474 (2009– 49,141,824) fully paid ordinary shares	41,056	30,010
Movements during the period		
Balance at the beginning of the financial year	30,010	29,219
Share options exercised / cancelled during the period	-	791
Issued through Share Capital Placement:		
Gross proceeds	11,499	-
Cost of equity issued	(453)	-
	41,056	**30,010**

Note 6. Notes to cash flow statement

	2010 $'000	2009 $'000
a) Components of cash and cash equivalents		
Cash on hand	28	22
Cash at bank	2,908	1,342
	2,936	1,364
Bank overdrafts	-	(3,548)
	2,936	**(2,184)**
b) Reconciliation of cash flow from operations with profit after income tax		
Profit for the year	3,270	8,907
Non-cash flows in profit:		
Depreciation and amortisation	7,717	7,148
Bad debts written off	-	190
Provision for Impairment of receivables	11	(72)
Net (profit) loss on sale of property, plant & equipment	(56)	22
Net (profit) loss on sale of non-current investment	-	101
Loan forgiven	-	(5)
Remuneration Expense – share based payments	-	(270)
Change in operating assets and liabilities:		
• (Increase) decrease in trade and other receivables	4,431	3,129
• (Increase) decrease in inventories	4,910	(3,413)
• (Increase) decrease in prepayments	33	(5)
• (Decrease) increase in trade and other payables	(539)	(12,840)
• (Decrease increase in provisions	(1,589)	(161)
• (Decrease) increase in income tax payable	-	(4,052)
• (Decrease) increase in deferred tax liabilities	1,029	634
• Decrease (increase) in deferred tax assets	(3,082)	572
Net cash inflow from operating activities	**16,135**	**(115)**
c) Non cash financing and investing activities		
Plant and equipment acquired under finance leases, lease purchase or Vendor finance	**4,548**	**4,861**

d) Discontinued Operation

In October 2009, the Group disposed of its formwork division in its subsidiary Structural Systems (Construction) Pty Ltd.

The profit (loss) for the period from the discontinued operation is as follows:-

	2010 $'000	2009 $'000
Loss of formwork division operations for the period	(5,985)	(4,584)
Gain (loss) on disposal of formwork operations	-	-
	(5,985)	(4,584)

The following were the results of the formwork division business for the period:-

	2010 $'000	2009 $'000
Revenue	26,920	80,589
Operating expenses	(35,470)	(87,138)
Loss before income tax	(8,550)	(6,549)
Income tax benefit	2,565	1,965
Loss after income tax	(5,985)	(4,584)

The details of the assets at the date of disposal were as follows:

	2010 $'000
Plant & equipment	1,546
Inventories	1,264
Attributable goodwill	-
	2,810
Gain (loss) on disposal	-
Total consideration	2,810
Satisfied by:	
Cash inflow	1,089
Amount due under contract of sale	1,721
	2,810

The comparatives with the Income Statement have been adjusted from the prior year for the discontinued operation.

Note 7. 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: Current year 2010	22 October 2010	2.5¢	2.5¢	0¢
Previous year 2009	None declared	0¢	0¢	0¢
Interim dividend: Current year 2010	None paid	0¢	0¢	0¢
Previous year 2009	None paid	0¢	0¢	0¢

Total dividend per security (interim plus final)

Current Year 2.5 cents
Previous Year 0 cents

Note 8. NTA Backing

	2010	2009
Net tangible asset backing per ordinary security	79.0 cents	82.4 cents

Note 9. Contingent Liabilities

As at the date of this report, the Group had no significant contingent liabilities.

Note 10. Subsequent events

On 1 July 2010 Peter McMorrow, who is Managing Director of Leighton Contractors, was appointed to the board as a non-executive director. Aside from this, there have been no significant subsequent events that have affected the Group.

Note 11. Segment Reporting

Segment Information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of product category and service offerings as the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Types of products and services by segment:

- **Construction segment**

  The construction segment delivers specialist construction services, specifically post tensioning, concrete placement and remedial operations.

- **Mining segment**

  The mining segment services mining clients and specialises in production drilling.

Basis of accounting for purposes of reporting by operating segments:

a. Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

b. Inter-segment transactions

An internally determined transfer price is set for all inter-segment sales. This price is reviewed periodically to ensure that sales are made at arm's length. All such transactions are eliminated on consolidation of the Group's financial statements.

Corporate Charges are allocated to reporting segments based on the segments' overall proportion of revenue generation within the Group. The Board of Directors believes this is representative of likely consumption of head office expenditure that should be used in assessing segment performance and cost recoveries.

Inter-segment loans payable and receivable are initially recognised at the consideration received/ to be received net of transaction costs.

c. Segment assets and liabilities

Where an asset or liability is used across multiple segments, it is allocated on a pro-rata basis to the segments that receive the benefit of use of the asset or represent the source of the obligation of the liability.

Note 11. Segment Reporting (Cont.)

	Construction		Mining		Consolidated Group (Continuing Operations)		Discontinuing Operations	
	30/06/10 $'000	30/06/09 $'000	30/06/10 $'000	30/06/09 $'000	30/06/10 $'000	30/06/09 $'000	30/06/10 $'000	30/06/09 $'000
Primary Reporting – Business Segments								
Revenue								
External sales	182,263	189,174	70,318	48,091	252,581	237,265	26,920	80,589
Other sales	874	1,269	47	-	921	1,269	-	-
Total sales revenue	183,137	190,443	70,365	48,091	253,502	238,534	26,920	80,589
Unallocated revenue					83	87	-	-
Total revenue					**253,585**	**238,621**	**26,920**	**80,589**
Results								
Segment result	4,747	9,202	4,383	4,620	9,130	13,822	(8,550)	(6,549)
					9,130	13,822	(8,550)	(6,549)
Income tax benefit / (expense)					125	(331)	2,565	1,965
Profit after income tax					**9,255**	**13,491**	**(5,985)**	**(4,584)**

Note 11. Segment Reporting (Cont.)

	Construction		Mining		Consolidated Group (Continuing Operations)	
	30/06/10 $'000	**30/06/09 $'000**	**30/06/10 $'000**	**30/06/09 $'000**	**30/06/10 $'000**	**30/06/09 $'000**
Assets						
Segment assets	95,378	103,377	42,029	36,103	137,407	139,480
Total assets					**137,407**	**139,480**
Liabilities						
Segment liabilities	46,513	61,954	19,988	20,859	66,501	82,813
Total liabilities					**66,502**	**82,814**
Other						
Acquisitions of non-current segment assets (incl. HP & Leases)	5,417	1,535	1,852	6,966	7,269	8,501
Depreciation and amortisation of segment assets	1,922	3,187	5,795	3,961	7,717	7,148

	Australia		United Arab Emirates		Poland		Economic Entity	
	2010 $'000	2009 $'000	**2010 $'000**	2009 $'000	**2010 $'000**	2009 $'000	**2010 $'000**	2009 $'000
Secondary Reporting – Geographical Segments (excluding discontinued operations)								
Segment revenues for external customers	**238,985**	218,322	**14,600**	**19,970**	**-**	329	**253,585**	238,621
Carrying amount of segment assets	**127,759**	128,986	**9,648**	**10,494**	**-**	-	**137,407**	139,480
Acquisition of non-current segment assets	**7,269**	8,499	**-**	**-**	**-**	2	**7,269**	8,501