



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 **17 September 2010** and it 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



Structural Systems

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