

The Structural Systems Group has undertaken a significant change in direction over the last twelve months. The completion of the remaining formwork projects, which were ongoing at the time of the sale of this division, has resulted in significant losses. However, I am very pleased with the performance of our ongoing businesses. Strong second half performance from these ongoing divisions has allowed the Company to return to profitability and the Directors reported a profit after tax and minority interests of \$3.27 million.

The decisions made in relation to retention of profit from the prior year, the capital raising and share purchase plan in late 2009, and the strong cashflows from operations have significantly improved the Company's balance sheet. Gearing levels have been reduced, and at balance date, net debt to equity was 8%. This is a significant reduction on the ratio of 42% at the 30 June 2009.

Restoring the payment of dividends was a key goal for the Group for the year and the directors have declared a fully franked final dividend of 2.5 cents per share.

At 30 June 2010 the Group's work in hand was \$202 million. This compares to \$139 million at 30 June 2009.

The year saw an increase in resources devoted to ensuring safety standards across the Group can be continually improved. Amongst other OH&S targets set for the year we have planned for all Australian divisions to be certified to AS4801 by the end of the 2011 financial year.

As previously advised to shareholders, the Board has for some time been engaged in a recruitment process for additional directors to join our Board.

We believe that the development of our Board is critical to our success and have been committed to finding the right candidate with the necessary skill set and experience. As a result this process has been more prolonged than originally intended. However, I am delighted that we have been able to reach agreement with Peter McMorow to join our board as an independent non-executive director. Peter has recently retired from the position of Managing Director of Leighton Contractors. Peter is very familiar with the key markets that we operate in and I believe the Group is fortunate to have someone with his experience join our Board.

I thank my fellow Directors and our staff for their continuing efforts during the period.



Robert Freedman

28th October 2010