



Structural Systems

CONCISE ANNUAL REPORT **2011**





Cover.
Main Pit Rehabilitation Works
Iron Ore Mine
Koolan Island
WA

Above.
Permanent Ground Anchor Works
Wellington Dam
Collie
WA

Left.
Slab Post-Tensioning Works
Royal North Shore Hospital - Helipad
Sydney
NSW

Below.
Slab Post-Tensioning Works
Levy Business Park
Zambia
AFRICA



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Annual General Meeting Details

Date	24 November 2011
Time	3:00pm
Place	River Room, Royal Perth Yacht Club, Australia II Drive, Crawley WA 6009

2011 Financial Statements

The concise financial report has been derived from the full financial report for the year ended 30 June 2011. The concise financial report does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

A copy of the full financial report and auditors' report will be sent to shareholders without charge upon request. Please call (03) 9296 8100, fax (03) 9646 7133 or email ssl@structural.com.au and a copy will be forwarded to you. Alternatively, you can access both the full financial report and the concise report on the Structural Systems website at www.structuralsystems.com.au

10 YEAR FINANCIAL SUMMARY

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
External sales of goods and rendering of services (\$'000)	237,139	253,585	319,210	282,573	141,239	104,405	106,948	78,453	102,336	117,229
Profit (loss) before tax from continuing operations (\$'000)	11,865	9,130	9,237	20,708	12,316	7,165	3,444	(8,231)	580	(4,493)
Profit (loss) after tax (\$'000) ⁽¹⁾	4,472	3,270	8,887	15,182	8,824	5,345	2,142	(8,589)	450	(4,716)
Shareholders funds at end of year (\$'000)	71,833	70,906	56,667	48,261	33,179	24,750	14,886	9,303	17,776	15,426
Net tangible assets (\$'000) ⁽¹⁾	51,394	50,467	40,482	32,021	27,936	21,258	12,881	7,298	14,644	12,071
Return on shareholder's funds ⁽¹⁾	6.2%	4.6%	15.6%	31.5%	26.6%	21.6%	14.4%	(92.3%)	2.5%	(30.6%)
Return on sales	1.9%	1.3%	2.8%	5.4%	6.2%	5.1%	2.0%	(10.9%)	0.4%	(4.0%)
Basic earnings per share (cents)	7.0	5.3	18.1	31.9	21.2	15.2	8.4	(33.7)	1.9	(22.0)
Net tangible asset backing per share (cents)	80.4	79.0	82.4	65.3	60.3	54.6	50.3	28.5	57.4	56.3
Dividends declared for the year (cents)	4.0	2.5	-	11.5	10.0	7.5	1.5	-	-	-
Dividends times covered	1.75	2.1	N/A	2.8	2.1	2.0	5.6	N/A	N/A	N/A
Depreciation and amortisation (\$'000)	9,158	7,717	7,148	5,699	4,102	2,946	2,418	2,408	2,595	2,432
Interest paid (\$'000)	1,074	1,067	1,564	951	381	541	1,023	1,136	663	911
Interest received (\$'000)	115	39	87	410	173	302	176	8	-	-
Share price at 30 June	\$0.69	\$0.48	\$0.79	\$2.55	\$2.82	\$1.04	\$0.61	\$0.48	\$0.40	\$0.60
Shares on issue at 30 June	63,884	63,884	49,142	49,142	46,438	38,950	25,631	25,624	25,499	21,428
Market capitalisation at 30 June (\$'000)	44,080	30,664	38,822	125,312	130,955	40,508	15,635	12,300	10,200	12,857

(1) Adjusted for minority equity interests where applicable

Note: 2010 and 2011 adjusted for discontinued operations

Key performance indicators for the 12 month periods to 30 June



ABOUT US

History

Founded in Victoria in 1961, the Company commenced trading as BBR Australia Pty Ltd and listed on the Australian Stock Exchange as Structural Systems Limited in 1987. The first project the Company undertook was the supply and installation of ROCK anchors for the Snowy Mountains scheme. Now 50 years on from that first project, our organisation has grown from a small privately owned specialist post-tensioning Company to a diverse international contractor who has never been afraid of taking on a challenge. We have completed projects throughout the world, in Australia, Hong Kong, Thailand, the Philippines, Singapore, Ireland, the United Kingdom, South Africa, Zambia, Bahrain, Qatar, Oman and throughout the United Arab Emirates.

Operations

The Company's head office is located in South Melbourne, Victoria, and manages its operations from offices in Melbourne, Sydney, Brisbane, Perth, Adelaide, Kalgoorlie and Townsville. Internationally the Company has offices in Dubai, Qatar, Bahrain and Johannesburg, South Africa and has in excess of 800 employees worldwide.

Companies within the Structural Systems Group are Structural Systems Limited, Structural Systems (Northern) Pty Ltd, Structural Systems (Remedial) Pty Ltd, Structural Systems (Southern) Pty Ltd, Structural Systems (Construction) Pty Ltd, Total Fire Protection Pty Ltd, Structural Systems (Western) Pty Ltd, Structural Systems (Civil) Pty Ltd, Structural Systems (Bridge Maintenance) Pty Ltd, Refobar Australia Pty Ltd, Meridian Concrete Australia Pty Ltd, ROCK Australia Mining & Civil Pty Ltd, NASA Structural Systems LLC, Emirates & Australia Construction Systems LLC, BBR Structural Systems and Structural Systems (Africa).

The Company operates in the construction and resource sectors. Construction sector activities include infrastructure works, building, concrete services and remedial services. Activities undertaken in the resource sector include drill and blast as well as geotechnical and technical services.

Structural Systems have been involved in the design and construction of many iconic projects over the years including Centrepont Tower, Stadium Australia in Sydney, Eleanor Schonell Bridge in Brisbane, Colonial Stadium & Rod Laver Arena in Melbourne and the Emirates Tower in Dubai.

Resource Sector

Mining Services

The Company's Mining Services division, ROCK Australia, is a specialist provider of supply and contracting services to mining & civil projects throughout Australasia. The division provides services to gold, copper, nickel, iron ore, coal, mine infrastructure, road and rail projects. ROCK's current client list includes BHP Billiton, Rio Tinto, Newcrest Mining, Barrick Gold, Newmont, Mt Gibson Iron, SCT, BMA and QLD Rail. Committed to operational excellence through safety, quality and innovation, ROCK's services include:

- Drilling
- Blasting
- Geotechnical
- Environmental
- Technical Access
- Manufacture & Supply
- Movement and Survey Radar

Construction Sector

Infrastructure

The Infrastructure division provides design and construction services and construction systems to projects such as;

- New bridge construction and strengthening and rehabilitation of existing bridge structures. New bridge construction systems include incrementally launched, balanced cantilever, segmental and span by span bridges
- Design and installation of ground anchors to strengthen dam walls and other civil structures
- Heavy lifting / shifting of stadium roofs, control towers, water bowls and bridges
- Slipforming and post-tensioning of storage tanks, silos, lift cores and concrete gravity structures
- Design and installation of cable stays for bridges and stadiums

Building

The Building division's primary activity is the provision of post-tensioning and other related services to the construction industry. Structural Systems are one of the market leaders in post-tensioning technology. Post-Tensioning is a method of reinforcing (strengthening) concrete or other materials with high-strength steel strands. The benefits post-tensioning brings to a structure include large open plan, column free floor spaces, faster construction times, reduced foundation loads and improved deflection control. The technology reduces the amount of conventional reinforcement and concrete required thus delivering a more economical and environmentally friendly solution. The division's manufacturing arm, Refobar Australia, makes componentry for the post-tensioning industry including bar chairs, oval and flat duct and barrels and wedges. The Company is committed to improving the standard of design and construction in the post-tensioning industry and is a founding corporate member of the Post-Tensioning Institute of Australia Limited.

The major markets that the division operates in are:

- Retail
- Commercial
- Industrial
- Educational and Healthcare

Concrete Services

Meridian Concrete is the foremost provider of concrete and related services to the Melbourne construction industry. Meridian works closely with the Company's Building division to provide value engineered solutions that delivers economical and environmentally efficient outcomes. In its 14 years of operation Meridian has been involved with the completion of many of Melbourne's major projects such as Myer city store redevelopment, expansion of Chadstone and Doncaster shopping centres and is currently completing the structure works involved in the extension of the facilities at the Melbourne Park Tennis Centre.

Meridian offers the following range of services:

- Design and construction of structure packages
- Structural and architectural concrete supply and place
- Reinforcement supply and place
- Detailed and bulk excavation

Remedial Services

The remedial division is a recognized leader in the repair, rehabilitation, protection and maintenance of building, industrial and infrastructure assets for both private and public sector clients. The specialist services offered by the division include:

- Concrete repair and protection
- Building façade refurbishment
- Electrochemical protection of structures including cathodic protection
- Structural strengthening including application of fibre reinforced polymers (FRP)

The sectors in which the remedial division operates are:

- Commercial, industrial and high rise residential buildings
- Civil and marine structures
- Chemical processing
- Petrochemical
- Water treatment
- Power generation
- Mining

Technology & Partnerships

Structural Systems is the sole franchisee of the BBR licensed system in the countries in which it operates. BBR is recognized as the leading group of specialist engineering contractors in the field of post-tensioning, stay cable and related construction engineering. BBR technologies have been applied to a vast array of structures – such as bridges, buildings, cryogenic LNG tanks, dams, marine structures, nuclear power stations, retaining walls, tanks/silos, towers, tunnels, wastewater-treatment plants, water reservoirs and wind farms.

ROCK Australia is the appointed partner of the Reutech Radar system for the supply, hire and support of the MSR 300 (Movement & Surveying Radar) for Australasia. During the financial year, ROCK also developed a partnership with Sedna and was appointed the exclusive distributor for Geo-Cam for Australasia. Geo-Cam allows for monitoring of operations where there is no cabling infrastructure, it is solar powered and communicates via industrial wireless LAN.

ROCK continues to work in partnership with a number of specialist product suppliers as a quality-assured installer of rockfall protection and slope stabilisation systems. ROCK is the exclusive distributor of the Menzi Muck all terrain walking excavators and has appointed an international agent for the further promotion of the ROCK MESHA™ system to overseas clients. ROCK is an accredited member of IRATA International (Industrial Rope Access Trade Association), and is approved by a third-party audit process to internationally approved and recognised standards to conduct technical rope access work.

Structural Systems are also the exclusive agent to supply and install Macalloy Stressbar Systems in Australia, UAE, Qatar, Bahrain, Oman and South Africa. Macalloy have been leaders in the design, manufacture and supply of threaded bar systems since 1947 and are ideal for the economic application of post-tensioning forces on relatively short tendons. Through the use of threaded connection and anchorages they are simple to use and lend themselves to many applications.

CHAIRMAN'S REPORT

The after tax profit reported for the 2011 year does not readily demonstrate some of the good results that were achieved by the majority of businesses within the Group. With the exception of Meridian Concrete and our operation in the Middle East, all ongoing businesses within the Group produced improved results compared to the prior year. ROCK Australia and our Infrastructure Division both produced record levels of revenue and profitability. Before tax earnings from continuing operations were up 30% on 2010. While the Middle East made a small profit the result from Meridian was very disappointing and had a significant impact on the earnings of our continuing operations.

The 2011 year is a significant one for the Group as it marked the anniversary of 50 years of trading for Structural Systems and 25 years for its subsidiary ROCK Australia. Structural Systems history began in 1961 when a young Swiss engineer named Josef Koch and his wife stopped over in Melbourne for a few days on their honeymoon. At this stage the Snowy Mountains scheme was underway and their Engineers were looking at the newly developed Swiss system of prestressed rock anchors which had been developed on mountain projects in Switzerland. Josef made contact with the Swiss company BBRV which had developed and patented the famous BBRV Button Headed Wire Post-Tensioning System – and so – BBR Australia, now Structural Systems began.

In 1986 Rock WA began as a joint venture with Warwick Hutchins and later ANI Mining Services to provide ground support systems for underground stabilisation utilising post-tensioning technologies from the concrete industry. ROCK has continued to grow steadily over the years and now provides 35% of the Group's annual revenue. The future prospects for ROCK remain very positive with unprecedented levels of activity in the resource sector of Australia.

The declared final dividend of 2.5 cents per share brings the total dividends for the 2011 year to 4.0 cents per share which is a 60% increase on the prior year.

While there is continuing uncertainty in the global economy we believe the Group's performance will continue to improve into the 2012 year and we look forward to providing our shareholders with increased returns in the coming year.

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

Dated 29 September 2011.



Robert Freedman
Chairman

MANAGING DIRECTOR'S REPORT

The Group reported an after tax profit from continuing and discontinued operations of \$4.47 million. This result is a 37% improvement on the \$3.27 million reported for the prior year. Losses from the Group's concrete services company Meridian Concrete Australia significantly affected the result reported for continuing operations. Pre tax losses from Meridian totalled \$6.43 million. EBITDA from continuing operations increased by 25% to \$22.1 million. After tax losses from discontinued operations were \$5.04 million compared to \$5.99 million for the prior year.

A fully franked final dividend of 2.5 cents per share has been declared. This brings the total dividends declared or paid for the 2011 year to 4.0 cents per share. Total revenue from continuing operations decreased by 6% to \$237.14 million.

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

Mining

ROCK revenue increased by 8% to \$82.60 million and represents 35% of the Group's revenue for the year. Production drilling and blasting remained the dominant activity and accounted for 55% of ROCK revenue. The major clients of ROCK with term contracts to provide drilling and blasting services include BHP Billiton, CST Minerals, Newcrest Mining, Barrick Gold, Fortescue Metals Group (FMG) and Consolidated Minerals. In the third quarter of the financial year new work was secured at Christmas Creek Mine for FMG. ROCK has continued to expand in the Eastern states of Australia and was recently awarded the contract for overburden drilling at the Saraji Coal mine for the BHP Billiton Mitsubishi Alliance (BMA).

ROCK continues to experience strong demand for package service works and this segment accounted for 25% of revenue. Package services include any combination of drilling, blasting, geotechnical works and environmental services. In the mining sector, some of the major projects undertaken which utilised the combined package service include the pit rehabilitation works at Mount Gibson's Koolan Island project, pit wall steepening works at BHP Billiton Mount Keith Operations and ground control systems at Newmont Boddington Gold Mine. The package services offering was also in demand in the civil sector and a key project completed during the year was the Kuranda rockfall protection works for Queensland Rail.

Geotechnical services provided to the mining sector accounted for 11% of revenue. Some of the geotechnical projects undertaken during the year include KCGM Super Pit ground support works, portal works for Western Areas at Spotted Quoll mine and underground work for AngloGold Ashanti at Sunrise Dam.

Revenue from the sale and hire of radar units increased during the year and accounted for 9% of revenue. ROCK has ongoing radar service support contracts throughout Australia and Asia.

In the field of innovation, the patented ROCK MESHTM system (for mechanised underground mesh installation) gained further traction with successful projects and trials underway in Australia and overseas. ROCK has partnered with an international organisation for the global market for this product and currently has development projects in South Africa and Sweden.

Open pit mining continues to be the largest source of revenue for ROCK with 80% from works performed in open pit mines with the balance from mine infrastructure and civil projects. ROCK is involved in gold, copper, nickel, iron ore and coal projects with gold the major market sector providing 34% of revenue.

Construction

Revenue from construction activity decreased by 16% to \$154.28 million. The principal reason for this reduction was lower volumes in both the Concrete Services division and from activities in the Middle East. In both of these instances the reduction in volumes was due to the Company determining that the risk profiles required adjustment and that reducing the level of activity being undertaken would assist in reducing the ongoing risk. Outside of these two divisions revenue increased by 11% to \$105.92 million.

- **Infrastructure**

The Infrastructure division had another successful year with the completion of the Tinaroo Falls Dam Project in Queensland. This project was undertaken directly for the client SunWater and was part of a larger dam upgrade program. The \$11 million project was completed ahead of the program schedule.

On the basis of our reputation and track record in the dam upgrade market we were invited to be part of the Alliance for the Wellington Dam Strengthening Project in Western Australia. This project is almost complete and is well ahead of program and under budget. The project has already won a number of safety awards and has been a success for all stakeholders in the Alliance.

Our Western Australian operation is close to completing a \$20 million package of works on the \$2 billion Fiona Stanley Hospital Project in Perth. The structural frame of the main hospital building is expected to be completed 9 months ahead of program and has been a successful project for the Group.

Looking forward to next year it is expected that bridge works will form a significant part of the order book. Two major bridge projects in Adelaide have been won - the Seaford Rail Bridge (a 1.2km long incrementally launched bridge) and the Adelaide Urban Superway project.

- **Building**

Post-tensioning works were the dominant activity in our building division with profitable results reported for all business units. Revenue was down 4% on last year primarily due to bad weather in the eastern states and the patchy building market.

Revenue from our building products manufacturer Refobar fell by 3% in the year to \$5.1 million, however profitability improved due to lower costs of production and better efficiency.

- **Concrete Services**

Revenue from Concrete Services (Meridian Concrete) fell by 39% to \$56.13 million. Due to poor tendering practices in the prior year this business incurred a significant loss of \$6.43 million before tax for the year under review. The Company made a decision in late 2010 to reduce activity in this market sector until costs and performance were brought under control by a restructured management team. The second half loss of \$1.4 million was higher than previous guidance due to the effect of inclement weather and the protracted finalisation of older projects. This business is budgeted to return to profitability in the 2012 year.

- **Middle East**

During the year our activities in the Middle East were deliberately scaled back and this resulted in revenue declining by 47% to \$7.78 million. The business remained profitable despite the lower revenue. Our approach in the Gulf Region will continue to be conservative. Construction of cryogenic storage tanks for clients in the petrochemical market was the dominant activity for the operation during the year.

- **Remedial**

Revenue from remedial activities increased by 38% to \$15.27 million. During the year the remedial division was involved in a number of the major infrastructure projects in Victoria and these works were the primary driver of the increased volumes. Our NSW operation secured its largest building repair project with works commencing in the last quarter of the financial year.

Discontinued operations

Pre tax losses from discontinued operations were \$7.37 million. These losses were incurred in completing outstanding works and finalising contract values. At the balance date all works in relation to the discontinued formwork operation were finalised with the exception of the Eastern Treatment Plant project. Finalisation of this project has proven to be difficult for all parties involved and completion of the structure work is expected to continue well into the financial year. At the balance date, the determination of the financial settlement between the contracting parties was the subject of a mediation which subsequently did not result in the contracting parties reaching an agreement. As a result, there now remains uncertainty between the contracting parties as to the apportionment of certain costs and liabilities in respect of the project.

Work in hand

The balance of work-in-hand (WIH) at the end of June 2011 was \$207 million, up slightly on the prior year. ROCK had a record WIH balance of \$113 million with seven term drill and blast contracts underway that extend past the 2012 financial year end.

Overall construction WIH was \$94 million, down 10% on 2010. The main reason for the reduction was a decrease in activity in the Middle East and the completion of the Fiona Stanley project in Perth which was by historical standards a large project for our Western Australian division.

Quality Safety and Environment

With over 800 employees involved in a diverse range of projects throughout Australia and internationally it was identified that the existing management systems for the Group's QSE and HR activities needed to be updated to deliver a more consistent approach across the Group. In May 2011, Integrum was selected as the provider for this updated risk management system. The system is web based and will be the central location for Quality, Safety & Environmental (QSE) functions such as risk management, inductions, in-house training, audits, safe work method statements, incident reports and statistical reporting. In addition the system will support other functions such as employee development, performance appraisal, E-Learning and document libraries amongst other features. The company has ensured sufficient resources by implementing a dedicated project team, with specialist employees selected from within the group. This is a major undertaking and will be delivered in three stages during 2012 year.

The 2011 year saw positive results from the QSE strategies implemented. Some of the key achievements being:

- Structural Systems Middle East achieved a significant milestone of working fifty two consecutive weeks without incurring a job related lost time accident or injury. This significant milestone is attributed to the cooperation and determination of all Structural Systems Middle East employees. Operating in three countries the company and employees have demonstrated an allegiance to create and maintain a safe workplace. These great results were underpinned by the introduction of documented work procedures, providing the necessary safety equipment, and keeping the work force informed by implementing training and continuous improvement strategies.
- ROCK Australia has experienced an overall decline in injury rates for the six months to June 2011. During the year, ROCK employed a new Quality, Safety & Environment Manager, with nineteen years experience in the Western Australian Mining Industry and significant experience in training and business improvement. With the increase in the number of projects ROCK has ongoing in the eastern states of Australia the decision was made to supplement ROCK's QSE management team with the creation of QSE Coordinator (West) and QSE Coordinator (East) positions. These two roles will oversee QSE activities on all ROCK projects across the country.

- The first quarter of 2011 saw the launch of RockSafe; ROCK Australia's safety promotion program which will drive a positive improvement in safety culture and a zero harm philosophy.
- Structural Systems (Western) Pty Ltd gained accreditation under the Australian Government Building and Construction OHS Accreditation Scheme.
- Structural Systems (Southern) Pty Ltd and Meridian Concrete Australia Pty Ltd achieved accreditation to the Australian Safety Standard AS/NZS 4801:2001.

Outlook

The returning of Meridian to profitability is a key objective for the 2012 financial year. The result for 2011 was unacceptable and significantly affected the reported result from continuing operations. With substantial effort having gone into improving tendering, administration practices and key management personnel there are good grounds for being confident that this business can make a positive contribution to the Group in the 2012 year.


In June 2011 ROCK secured a two plus one year contract for drilling works at the Mitsubishi BHP Saraji coal mine in the Bowen Basin QLD. This project is an important one for ROCK as it is their first drilling project in the coal sector. To date ROCK's drilling activities have been confined to metalliferous projects so the expansion into the coal sector opens up further growth prospects for ROCK's drilling division in the future.

Our infrastructure division since balance date has secured a bridge construction contract for Downer at Warrambo in Northern Western Australia. Infrastructure works associated with mining projects will become a key focus for this division. We expect to see good demand for our services in this region of Western Australia as the level of infrastructure works required to support the resource sector continues to grow.

Quality people are recognized as the key to our success and the Group's directive is to attract, recruit, develop, retain and reward the right people for the organization. With tight labour markets existing in Australia the Group is very conscious of having the right human resource strategies in place to ensure we remain an employer of choice.

Finally I would like to thank all of the Group's employees for their contributions throughout the year.

Dated 29 September 2011.



David Perry
Managing Director

DIRECTORS' REPORT

Introduction

The Directors present their report on the consolidated entity consisting of Structural Systems Limited ABN 57 006 413 574 ("Structural" or "Company") and the entities it controlled ("consolidated entity" or "Group") for the year ended 30 June 2011 and the independent audit report thereon.

Review of operations

A summary of the Group's operations is contained on pages 6-10 of this concise report.

A summary of the consolidated revenues and results is as follows:

Results for the year	2011 \$'000	2010 \$'000
Revenue from continuing operations	237,139	253,585
Profit before income tax from continuing operations	11,865	9,130
Income tax benefit / (expense) attributable to profit from continuing operations	(2,355)	125
Loss attributable to non-controlling interests	-	-
Profit attributable to the members of Structural Systems Limited	4,472	3,270

Significant changes in state of affairs

There was no significant change in the state of affairs on the Group either during or subsequent to the 2011 financial year.

Directors

The following persons were directors of Structural Systems Limited during the financial year and until the date of this report:

Ian L Fraser

Robert W Freedman

Peter J McMorrow (appointed 1st July 2010)

David R Perry

Company Secretary

Mr. Stuart J Gray was appointed Company Secretary in April 2009. Mr. Gray is a member of the Institute of Chartered Accountants in Australia and is an affiliate member of Chartered Secretaries Australia. Mr Gray holds a Bachelor of Commerce.

Trading

The Group's profit before tax from continuing operations increased 30.0% in 2011 to \$11.9 million on revenue of \$237.12 million. The after tax profit from continuing operations was up 2.8% to \$9.51 million dollars. The effective income tax rate increased as a result of a reduction in the benefits received under the Federal Government's Research & Development Tax Concession program. In line with the company's increased focus on ROCK Australia's (ROCK) drilling business, depreciation expense increased by \$1.44 million to \$9.16 million.

Statutory Net Profit after tax (NPAT) (including losses from discontinued operations of \$5.04 million) for the year was up 36.7% to \$4.47 million. The Group's earnings before interest, tax, depreciation and amortisation (EBITDA) from continuing operations was \$22.1 million, a 25% improvement on the prior year. Interest times cover from all operations was 7.6 times for the year, a improvement of 88% when compared to 2010.

The Group's performance was once again adversely impacted by costs incurred in completing projects associated with the discontinued formwork operation and a poor result from our concrete services operation Meridian Concrete. As previously advised, works at the Eastern Treatment Plant are yet to be finalised. This is the only project left from the discontinued operations that remains to be completed.

Debt

At balance date, the Group's net debt was \$8.20 million representing an increase of \$2.53 million on the prior year. This debt is solely attributable to Hire Purchase funding of capital assets, primarily associated with ROCK. Net debt to equity at 30 June 2011 was 11.4%. Despite the increase in Hire Purchase debt the Group's finance costs fell by 0.83% as the cash position improved throughout the year.

Working capital

Receivables fell by \$10.8 million to \$54.6 million and payables reduced by \$14.0 million to \$34.6 million due largely to the cessation of activities of the formwork division. Cash flow from operations was \$12.1 million for the year. The Group's improved liquidity is further reflected in the quick ratio of 1.24 up from 1.18 in 2010.

Earnings per share

Earnings per share from all operations increased 32.1% to 7.0 cents in 2011. Continuing operations did not achieve the same levels of earnings growth, down 0.2 of a cent per share despite the relevant earnings increasing and there being no change in shares on issue in the period.

Dividends

The Directors' resolved to declare a fully franked final dividend of 2.5 cents for the year. Record date for determining entitlement is 23 September 2011 and the dividend is payable on 18 November 2011.

Work in hand

The balance of work-in-hand (WIH) at the end of June 2011 was \$207 million, up slightly on the prior year. ROCK had a record WIH balance of \$113 million with seven term drill and blast contracts underway that extend past the 2012 financial year end.

Overall construction WIH was \$94 million, down 10% on 2010. The main reason for the reduction was a decrease in activity in the Middle East and the completion of the Fiona Stanley project in Perth which was by historical standards a large project for our Western Australian division.

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

Principal activities

During the financial year, the principal activities of the consolidated entity were drilling and ground control services, engineering, remedial and construction contracting and manufacture of post-tensioning components.

Matters subsequent to the end of the financial year

There have been no significant events subsequent to the end of the financial year.

Future developments, prospects and business strategies

The company will continue to pursue its policy of increasing the profitability and market share of its business sectors during the next financial year where an appropriate risk / return metric is achievable.

Further disclosure of information regarding likely developments, future prospects and business strategies of the operations of the company and the expected results of those operations have not been included in this report as the directors believe, on reasonable grounds, that the inclusion of such information would be likely to result in unreasonable prejudice to the Company. Accordingly, this information has not been included in this report.

Information on Directors of Structural Systems Limited

Ian L Fraser

(Non-executive Independent Director), age 66.

Director since 2004

FCPA, Fellow of the Australian Society of CPAs.

FAICD, Fellow of the Australian Institute of Company Directors.

Chairman of the Structural Systems Audit Committee.

During the last three years Ian has also served as a director of the following listed companies:

- Forest Place Group Limited from December 2001 to August 2011
- PMP Limited since April 2003
- Watty Limited from June 2009 to September 2010
- Legend Corporation Limited since January 2008
- Nylex Limited from December 2006 to November 2008

Interest in Shares: 265,000 Held by The Fraser Superannuation Fund.

Robert W Freedman

(Chairman), age 66.

Director since 1985, Managing Director 1998 to 2008, Chairman since 2009.

Member of the Institution of Engineers', Australia, Post Graduate Diploma in Business Administration (W.A.I.T).

There are no other listed companies of which Robert has served as a director during the last three years.

Interest in Shares: 1,099,136 Held by Freedman Superannuation Fund

Peter J McMorro (appointed 1st July 2010)

(Non-executive Director), age 61.

Holds an Associateship in Highway Engineering, Western Australia Institute of Technology

Peter was Managing Director of Leighton Contractors from 2004 until September 2010. Under his guidance, Leighton Contractors expanded considerably, with its workforce increasing fourfold.

Peter has more than 30 years experience in the construction industry particularly in the management of dynamic, profitable and long lasting business operations. His experience covers many disciplines of engineering including marine works, steel fabrication, civil, building, petrochemical, mechanical, electrical and telecommunications.

There are no listed companies of which Peter has served as a director of during the last three years.

Interest in Shares: 1,019,887 Held by The McMorro Superannuation Fund

David R Perry

(Managing Director), age 44.

Director since 2003, Managing Director since 2009.

Bachelor of Economics

There are no other listed companies of which David has served as a director during the last three years.

Interest in Shares: 287,243 Held by David Perry Superannuation Fund

390,000 Held personally

Directors attendance at meetings	Structural Systems Board		Audit Committee	
	Held	Attended	Held	Attended
I L Fraser	9	9	3	3
R W Freedman	9	9	-	-
P J McMorro	9	7	-	-
D R Perry	9	9	-	-

1. Remuneration Report

The directors present the remuneration report for the year ending 30 June 2011. The information provided in this remuneration report has been audited as required by section 308(3)(C) of the Corporations Act 2001.

Key management personnel have authority and responsibility for planning, directing, and controlling the activities of the Company and the Group. Key management personnel comprise the Directors of the Company and members of the Executive Committee of the Company and the Group.

2. Board Policy on Remuneration

The Board has adopted a policy that remuneration will:

- Encourage executives to improve Structural Systems overall performance and to enhance shareholder value;
- Motivate executives by providing the opportunity to be rewarded for the achievement of financial performance and safety outcomes;
- Reward superior performance;
- Ensure remuneration is competitive by market standards.

The Company currently does not have a remuneration committee. To date, the Board has been of the view that due to the small number of Directors such a committee would not be a more effective mechanism than the full Board for determining the remuneration level of the non-executive Directors, the Managing Director and members of the Executive Committee.

3. Remuneration Strategy and Structure

Structural Systems drives a strong performance based approach to remuneration and reward for executives. The Company aims to provide a competitive reward proposition, targeted at attracting, motivating and retaining the most appropriately qualified and experienced individuals.

The Company's policy for determining the nature and amount of remuneration of Board and senior executives of the company is as follows:

- The remuneration level of the Managing Director is evaluated and approved by the Chairman and the independent Directors on an annual basis. His remuneration package takes into account factors such as experience, qualification and performance of the Managing Director.
- The remuneration levels of the members of the Executive Committee reporting to the Managing Director, are submitted by the Managing Director to the Board for approval. Remuneration packages are structured such that the Group is able to attract and retain personnel with the expertise and ability to create value for shareholders.
- Bonuses paid to members of the Executive Committee are determined based on each manager's achievements in regard to the Company and their department's profitability, safety records and receivables management.
- The remuneration level of the Chairman and non-executive directors is reviewed and approved by the Board on an annual basis within the fee pool approved by shareholders.

Both independent external advice and internal advice may be sought as required to assist the Board in determining appropriate remuneration arrangements for the Key Management Personnel. This includes the remuneration levels of comparable positions within other public companies.

The following summarises the mix of reward elements for the non-executive directors and senior executives:

Elements of remuneration		Directors		Executive General Managers
		Non-Executive	Managing Director	
Fixed remuneration	Cash salary	x	✓	✓
	Cash fees	✓	x	x
	Superannuation	✓	✓	✓
	Other benefits ⁽¹⁾	✓	✓	✓
Short-term incentives	Cash	x	✓	✓
Long term incentives	Equity	x	✓	✓
Post employment	Termination payments	x	✓	✓

(1) Other benefits include motor vehicles lease payments, running costs, allowances and Fringe Benefits Tax.

Note: No LTI allocations were made under the Executive Option Plan in financial year 2011.

4. Key Management Personnel (KMP)

In addition to the Non-Executive Directors, the following are the members of the Executive Committee who are included in the key management personnel during the financial year and to whom this report applies.

Name	Role
D R Perry	Managing Director
S Crole	Executive General Manager Infrastructure
R Coates	Executive General Manager Mining Services
M Schweiger	Executive General Manager Building
S Gray ⁽¹⁾	Chief Financial Officer & Company Secretary

(1) S Gray has been a KMP since 1 November 2010.

Note: V Sammartino and W Ironmonger ceased to be key management personnel as of 30 June 2010.

5. Executive Remuneration

5.1 Fixed Remuneration

Fixed remuneration comprises cash salary and superannuation contributions. Nominated benefits may also be salary packaged, such as novated car lease payments and superannuation contributions.

The remuneration of senior executives is market based and has regard to remuneration levels that apply to similar positions in comparable companies and the performance of the executive during the year.

5.2 Short-term incentive plan

The Managing Director does not have a specific percentage of his remuneration at risk. His at risk component is directly linked to the financial performance of the Company. The bonus that may be payable to the Managing Director is calculated as the greater of:

- I. 1% of the profit for the financial year; or
- II. 5% of the difference between the profit for the financial year and the profit for the preceding financial year subject to achieving at least three years of successive profit growth.

The Board agrees the Managing Director's targets at the beginning of each financial year, such as Company financial performance, OH&S and other business priorities, and assesses his performance against those targets at the end of the financial year.

The Managing Director sets the performance targets for the CFO, assesses his performance against these targets and recommends any bonus payment to the Board for approval.

The other members of the Executive Committee, who are members of the key management personnel, participate in a short term incentive (STI) plan. The measures for the financial year 2011 plan were:

- Company NPAT
- Business Unit NPAT
- Receivables
- Safety

These measures have been deemed the most important in terms of shareholder value and good safety practices.

A threshold of the FY2011 Budget NPBT for the executives' Business Units must be achieved before any incentive pool is established. Where the threshold has been achieved the executives may receive an incentive payment at target of 20% of base pay. The maximum payment that may be received is 30% of base remuneration, which requires significant superior financial performance.

The Managing Director assesses the performance of senior executives at the end of each financial year and submits the results of his evaluation to the Board for approval.

Details of incentive payments received are provided in Section 9 of this report.

5.3 Long-term incentive plan (LTI)

During financial year 2011 no grants were made under the executive share option plan and allocations made in prior years lapsed before the commencement of financial year 2011. Therefore, no key management personnel currently hold any options under this plan.

6. Company performance – the link to reward

The Board's policy is to align executive reward to the performance of the Company. To achieve this, the “at risk” element is directly linked to achieve of business results.

6.1 Company Financial Performance

The following table provides details of the financial performance of the company over the past five financial years:

Measure	Financial Year				
	2011	2010	2009	2008	2007
Revenue (\$'000)	237,139	253,585	319,210	282,573	141,239
Operating profit before tax (\$'000)	11,865	9,130	9,237	20,708	12,316
Profit after tax (\$'000)	4,472	3,270	8,887	15,182	8,824
Total dividend per share (cents)	4.0	2.5	-	11.5	10.0
Share price (\$)	0.69	0.48	0.79	2.55	2.82

6.2 Short term incentive plan

The short-term incentive plan is based on achieving Net Profit After Tax, receivables and safety targets, however, no payment is made unless the budget level of NPAT is achieved for participant area of accountability. The budget NPAT is determined in the business plan for the financial year. Participants in this plan include members of the Executive Committee, other than the Managing Director and Chief Financial Officer, and Divisional Managers.

6.3 Long-term incentive plan

There are currently no active long term incentive allocations under the executive share option plan.

6.4 Remuneration mix for senior executives

The Managing Director does not have a specific percentage of his remuneration at risk. The methodology to calculate the annual incentive payment for the Managing Director is described in Section 5.2 of this report.

The following table summarizes the mix between fixed and performance based remuneration for the members of the Executive Committee for financial year 2011 based on achievement of target performance.

Name		Fixed Remuneration	Short Term Incentive	Total
S Crole	2011	85%	15%	100%
	2010	85%	15%	100%
R Coates	2011	85%	15%	100%
	2010	85%	15%	100%
M Schweiger	2011	85%	15%	100%
	2010	85%	15%	100%
S Gray ⁽¹⁾	2011	94%	6%	100%
	2010	-	-	-

(1) S Gray commenced as a KMP from 1 November 2010.

7. KMP Service Contact Details

Members of the executive committee receive termination payments in accordance with statutory requirements. The notice periods for the current members of the Executive Committee are summarised in the below table. There are no individual service contracts for the non-executive directors.

Name	Notice period by SSL	Notice period by Executive
D Perry	6 months ⁽¹⁾ ⁽²⁾	6 months
S Crole	3 months	3 months
R Coates	3 months	3 months
M Schweiger	3 months	3 months
S Gray	1 month	1 month

(1) The Company may terminate the contract after 30 June 2012 by giving 6 months notice.

(2) The Company may terminate the contract by giving not less than 3 months notice due to certain conditions relating to ill health.

8. Non-executive Remuneration

The non-executive directors are remunerated with set fees which are not linked to the performance of the Company.

The fees payable to non-executive directors are determined by the Board within the aggregate amount approved by shareholders. The fee pool of \$350,000 was approved by shareholders at the AGM in November 2007. The Company's non-executive directors receive fees as remuneration for acting as a director. The amount of each non-executive director's fees depends on the extent of the director's responsibilities.

The Board and committee fees are set out in the table below. Superannuation guarantee is paid to the directors in addition to these fees:

9 Details of remuneration

9.1 Directors' and Senior Executives' remuneration

Details of each element of remuneration for the Key Management Personnel (as defined in AASB 124 Related party Disclosures), which includes the Directors, senior executives who were members of the Executive Committee and the five highest paid executives of the group during the financial year, are included in the table below:

			Short term employee benefits ^{(1) (2)}			Post employment benefits	Termination benefits	Share based payments		
			Salary	Bonus	Other benefits ⁽³⁾	Superannuation	Retirement benefits #	Options		
Directors			\$	\$	\$	\$	\$	\$	\$	%
RW Freedman	Chairman (Appoint. 01/01/09)	2011	120,022	-	29,603	10,800	-	-	160,425	
		2010	144,867	-	113,545	83,333	-	-	341,745	-
I L Fraser	Director (Non-executive)	2011	60,000	-	-	5,400	-	-	65,400	-
		2010	50,000	-	-	15,400	-	-	65,400	-
P J McMorrow	Director (Non-executive)	2011	60,000	-	-	5,400	-	-	65,400	-
		2010	-	-	-	-	-	-	-	-
B A Crome	Director (Non-executive retired 01/03/10)	2011	-	-	-	-	-	-	-	-
		2010	174	-	16,972	43,426	-	-	60,572	-
D R Perry	Managing Director	2011	360,000	49,449	15,860	32,400	-	-	457,709	10.8
		2010	300,000	10,885	13,849	27,500	-	-	352,204	3.08
Total Remuneration Directors		2011	600,022	49,449	45,463	54,000	-	-	748,934	
		2010	495,041	10,855	144,366	169,659	-	-	819,921	
Executives			\$	\$	\$	\$	\$	\$	\$	%
S Crole	Executive General Manager Infrastructure	2011	275,000	55,000	21,996	24,750	-	-	376,746	14.6
		2010	205,000	41,000	21,996	18,450	-	-	286,446	14.3
R Coates	Executive General Manager Mining Services	2011	275,000	55,000	18,169	24,750	-	-	372,919	14.7
		2010	210,000	42,000	33,035	18,900	-	-	303,935	13.8
M Schweiger	Executive General Manager Building	2011	275,000	55,000	8,698	24,750	-	-	363,448	15.1
		2010	220,000	25,000	5,088	19,800	-	-	269,888	9.3
S Gray	Chief Financial Officer and Company Secretary	2011	166,396	12,000	14,415	14,976	-	-	207,787	5.8
		2010	-	-	-	-	-	-	-	-
V Sammartino	General Manager Meridian Concrete	2011	-	-	-	-	-	-	-	-
		2010	275,000	-	35,000	24,750	-	-	334,750	-
W Ironmonger	General Manager Middle East	2011	-	-	-	-	-	-	-	-
		2010	197,459	39,492	120,201	-	-	-	357,152	11.0
Total Remuneration Executives		2011	991,396	177,000	63,278	89,226	-	-	1,320,900	
		2010	1,107,459	147,492	215,320	81,900	-	-	1,552,171	

(1) All values are the amounts earned for the relevant reporting period

(2) Additional bonuses of \$257,521 relating to successful performance criteria being achieved by D R Perry during FY2008 and paid during FY2011

(3) Other benefits include, where applicable, motor vehicle lease payments and running costs, allowance and Fringe Benefits Tax

9.2 Shares held by Key Management Personnel

The following table provides details of the shares held by Key Management Personnel:

2011	Balance 01/07/2010	Received as remuneration	Number or ordinary shares issued on options	Net Change ⁽¹⁾	Balance 30/06/2011
Directors					
R W Freedman	1,099,136	-	-	-	1,099,136
I L Fraser	250,000	-	-	-	250,000
P J McMorrow ⁽³⁾	660,600	-	-	359,287	1,019,887
D R Perry	677,243	-	-	-	677,243
Executives					
S Crole	253,635	-	-	-	253,635
R Coates	197,000	-	-	-	197,000
M Schweiger	200,000	-	-	-	200,000
S Gray ⁽²⁾	-	-	-	-	-
Total	3,337,614	-	-	359,287	3,696,901

(1) Net change represents on-market purchases and disposal of shares

(2) Commenced 01/11/2010

(3) P J McMorrow opening balance reflects his balance on appointment

2010	Balance 01/07/2009	Received as remuneration	Number or ordinary shares issued on options	Net Change ⁽¹⁾	Balance 30/06/2010
Directors					
R W Freedman	1,099,136	-	-	-	1,099,136
I L Fraser	190,000	-	-	60,000	250,000
D R Perry	662,500	-	-	14,743	677,243
Executives					
S Crole	283,635	-	-	(30,000)	253,635
R Coates	197,000	-	-	-	197,000
M Schweiger	200,000	-	-	-	200,000
Total	2,632,271	-	-	44,743	2,677,014

(1) Net change represents on-market purchases and disposal of shares

Non-audit services

The Board of Directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES110: Code of Ethics for Professional Accountants set by the Accounting Professional & Ethical Standards Board.

The following fees for non-audit services were paid / payable to the external auditors during the year ended 30 June 2011:

	\$
Taxation services	73,848

Directors' and auditor's indemnification

Under the Constitution of Structural Systems Limited the Directors, Auditors, Company Secretary and all other Officers of the Company when acting in those capacities are indemnified to the extent permitted by law for liability incurred in defending any proceeding in which judgement is given in his favour or in which he is acquitted or in any application under the Corporations Law in which relief is granted to him by the Court in respect of any negligence, default, breach of duty or breach of trust.

No person has applied for leave of a Court to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of these proceedings.

During the financial year the Company has paid insurance premiums in respect of Directors and Officers Liability and Legal Expenses Insurance contracts, for current Directors and Officers, including Executive Officers of the Company and Directors, Executive Officers and Secretaries of its controlled entities. The insurance premiums relate to:

- costs and expenses incurred by the relevant Officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

The insurance policies outlined above do not allocate the premiums paid to each individual Officer of the Company.

Environmental Regulation

The Group's operations are subject to significant environmental regulation under international, Federal and State legislation.

The Company has systems in place to manage its environmental obligations within its construction and mining activities.

The Directors are not aware of any breaches of environmental regulations and any specific site environmental requirements during the year.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2011 has been received and can be found on page 24 of the report.

Rounding of Amounts

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and Director's report have been rounded off to the nearest thousand dollars, unless otherwise stated.

This report is made in accordance with a Resolution of the Board of Directors and is signed for and on behalf of the Directors.

Dated 29 September 2011



R W Freedman



D R Perry

AUDITOR'S INDEPENDENCE DECLARATION



AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF STRUCTURAL SYSTEMS LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2011 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck Audit (VIC) Pty Ltd
ABN 59 116 151 136

J.C. Luckins

J.C. Luckins
Director

Dated this 29th day of September 2011, Melbourne

Sydney
Melbourne
Brisbane
Perth
Adelaide
Auckland

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INDEPENDENT FIRMS

CORPORATE GOVERNANCE STATEMENT

Principle 1: Lay solid foundations for management and oversight

The Board of Directors of Structural Systems Limited (the Company of the Group) is responsible to its shareholders for the overall governance and performance of the Group. Responsibility for the overall management and profit performance of the Group is delegated by the Board to the Managing Director, who is accountable to the Board. The Managing Director manages the organisation in accordance with the strategy, plans and policies developed by the Managing Director with his senior executive team and approved by the Board to achieve agreed goals.

Annually, comprehensive budgets and business plans are developed for each business unit by the senior executive responsible and the Managing Director. These budgets and plans are then approved by the Board. The performance of the senior executives is monitored against these budgets and business plans throughout the year. Each senior executive has a contract of employment detailing the key terms and conditions relevant to their employment.

Principle 2: Structure the board to add value

At balance date the Board comprised of one executive director and three non executive directors. Mr McMorrow and Mr Fraser are independent non-executive directors of the Company. The Chairman does not qualify as being independent due to his previous service as an executive of the Company. Independent Directors do not make up the majority of the Board and as a result the current composition of the Board does not comply with recommendation 2.1.

As noted above Mr Freedman does not qualify as an independent director due to his previous service as an executive of the Company. As a consequence recommendation 2.2 is not complied with.

The role of the chairman is independent to the role of the Managing Director and these positions are exercised by different people.

Currently the Company does not have a nominations committee. As such recommendation 2.4 has not been complied with. The existing number of directors makes such a committee no more of an efficient mechanism than the full Board for detailed selection and appointment practices. The Board is of the view that if the number of independent directors is increased and the overall number of directors on the board grows such a committee could add value.

The Board does not have in place a formal board evaluation process and as such does not comply with recommendation 2.5.

Principle 3: Promote ethical and responsible decision-making

The Directors acknowledge the need for and the continued maintenance of the highest standards of ethical conduct by all Directors and employees of the Group. The Group has a statement of corporate ethics which establishes the professional standards of behaviour required of Directors, management and all employees in the conduct of the Group's affairs. This statement is distributed throughout the Group to ensure all employees are familiar with its contents. The statement is available for review on the Company's website.

Under this policy officers and employees of the Company are expected to:

- Comply with the law;
- Act honestly and with integrity;
- Not place themselves in situations which result in divided loyalties;
- Use the Company's assets responsibly and in the interests of Structural Systems; and
- Be responsible and accountable for reporting and investigating unethical practices.

The Company has a policy concerning trading in company securities by directors and senior executives. This policy restricts the times and circumstances in which Directors, senior executives and certain employees may buy or sell shares in the Company. After an announcement that opens a trading window the Company Secretary advises the appropriate individuals that a trading window has commenced and the date that the trading window will close. Directors must advise the Company Secretary, who in turn advises the ASX, of any transactions conducted by them in the Company's securities within five business days after the transaction occurring. The Company's policy prohibits margin lending arrangements by Directors. The policy has been released to the ASX and is available on the Company's website.

The Company reports annually to the Australian Government on initiatives it undertakes to ensure equality for all women within its workplace. The Company continues to be compliant with the Equal Opportunity for Women in the Workplace Act 1999.

Principle 4: Safeguard integrity in financial reporting

The Board has an Audit Committee that assists the Board in its oversight of the integrity of financial reporting. The Audit Committee is responsible for the Company's relationship with its external auditor and the integrity of the financial statements. Ian Fraser, an independent non-executive director, is the Chairman of this committee. The other member of the audit committee is Don Mackenzie. Mr. Mackenzie is a Chartered Accountant and an experienced Company Director and is independent of the Board. The audit committee being comprised of only two members does not comply with recommendation 4.2.

The audit committee does have a formal charter and as such complies with recommendation 4.3

Principle 5: Make timely and balanced disclosure

The Company complies with all relevant disclosure laws and Listing Rules in Australia and has policies and procedures in place to ensure accountability at a senior management level for that compliance. Communications to the ASX are the responsibility of the Company Secretary. Corporate governance processes are continuously reviewed to ensure compliance with changes to the Corporations Act and other legislation that affects Group companies. This ensures that the Group is in-line with reporting requirements of the Australian Securities Exchange (ASX) in keeping the market properly informed on the affairs of the Group. A copy of the Company's policy regarding market disclosure policy and procedures is available on the Company's website.

Principle 6: Respect the rights of shareholders

The Company does have a communications policy for promoting effective communication with its shareholders. This policy is available on the Company's website.

The Company's policy is to communicate with its shareholders and other interested parties in a regular, open and timely manner.

The key mechanisms used by the Company are regular shareholder communications such as the half yearly reports, the Annual Report and the Financial Report.

The Company's website contains a range of information on the Company and its activities. This website is regularly reviewed and updated. The website provides information on any significant development occurring within the Group. Key projects that the Company undertakes are featured on the website. The Company continue to do boardroom radio interviews during the year with both the Managing Director and senior executives participating. The listening numbers reported for these interviews confirm that investors and shareholders find them a valuable source of information about the company. These interviews are a way of providing timely information to shareholders and interested parties in a format that is easily accessible and understood.

The Company encourages the participation of shareholders at the AGM. The attendance at the Company's AGM assists shareholders in gaining a greater understanding of the Group's strategy and goals.

Principle 7: Recognise and manage risk

The Company is committed to the identification, monitoring and management of risks associated with its business activities and has established the implementation of practical and effective control systems. Responsibility for the control and risk management is delegated to the appropriate level of management within the Group with the Managing Director having ultimate responsibility to the Board for the risk management and control framework. Arrangements put in place by the Board to monitor risk management include:

- Annual budgeting and monthly reporting systems for all business units, which enable progress against the strategy and annual plan to be monitored, trends to be evaluated and variances to be acted upon;
- Procedures relating to capital expenditure, asset and liability management;
- Appropriate due diligence procedures for corporate acquisitions and disposals;
- A reportable issues system;
- A compliance program;
- A health, safety and environment policy;
- Reports by the Chairman of the Audit Committee to the Board of the minutes of each meeting held by this committee;
- A comprehensive Group-wide insurance program.

The senior executives of all the operating units within the Group and the Board meet annually as a team to review the performance of the Group and develop future operational strategies. Further, an executive committee made up of representatives from the senior executive personnel of the Company provides additional resources in order to ensure that the risks associated with its operational sites and domestic and international locations are effectively managed. The committee focuses on key operational issues and the development of strategy for the Company. This executive committee meets monthly.

The Company's Managing Director and Chief Financial Officer are each required to report in writing to the board that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Principle 8: Remunerate fairly and responsibly

The Company currently does not have a remuneration committee and as such does not comply with recommendation 8.1.

To date, the Board has been of the view that due to the small number of Directors such a committee would not be a more effective mechanism than the full Board for determining the remuneration level of the non-executive Directors, Managing Director and Executive General Managers. However, it is the Board's intention that on the establishment of the Nominations Committee that this committee would also undertake the role of the remuneration committee.

The Company's policy for determining the nature and amount of emoluments of executive Board members and senior executives of the company is as follows:

- The remuneration levels of the Managing Director is evaluated and approved by the Chairman and the independent Directors on an annual basis. The remuneration level of the Chairman is evaluated and approved by the independent Directors on an annual basis. Independent advice is sought as required in relation to the appropriateness of the remuneration package offered. The remuneration packages for the Managing Director takes into account factors such as experience, qualification and performance of the Director and the financial and safety performance of the Group. The remuneration packages also take into account remuneration levels of comparable positions within other public companies.
- The remuneration levels of the Executive General Managers are submitted by the Managing Director to the Board for approval. Remuneration packages are structured such that the Group is able to attract and retain personnel with the expertise and ability to create value for shareholders. The remuneration of executives is market based and has regard to remuneration levels that apply to similar positions in comparable companies and the performance of the executive during the year.
- Bonuses paid to Key Management Personnel are determined based on each manager's achievements in regard to their department's profitability, safety records and receivables management. These three factors have been deemed the most important in terms of shareholder value and good corporate governance practices.
- The fees payable to Non-executive Directors are determined by the Board within the aggregate amount approved by shareholders. The Company's Non-executive Directors receive fees as remuneration for acting as a Director and in the cases for being part of a standing committee of the board. The amount of each Non-executive Director's fee depends on the extent of the Director's responsibilities. The Non-executive Directors do not receive any performance related remuneration.

While ongoing share ownership by employees in the Company is encouraged no options were issued during the 2011 year.

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$'000	2010 \$'000
Revenue	2	237,139	253,585
Total revenue	2	237,139	253,585
Construction and servicing costs		(204,149)	(226,568)
Depreciation and amortization expense		(9,158)	(7,717)
Finance costs		(1,074)	(1,083)
Other expenses		(10,893)	(9,087)
Profit before income tax expense		11,865	9,130
Income tax benefit / (expense)		(2,355)	125
Profit for the year from continuing operations		9,510	9,255

Discontinued operation

Loss for the year from discontinued operation	4	(5,038)	(5,985)
Profit for the year		4,472	3,270
Profit attributable to non-controlling entities		-	-
Profit attributable to members of the parent entity		4,472	3,270

Continuing and discontinuing operations

Basic earnings per share (cents)	7.0c	5.3c
Diluted earnings per share (cents)	7.0c	5.3c
Dividends paid per share (cents)	4.0c	-

Continuing operations

Basic earnings per share (cents)	14.9c	15.1c
Diluted earnings per share (cents)	14.9c	15.1c
Weighted average number of shares outstanding during the period used in calculation of basic earnings per share ('000)	63,844	61,441

The accompanying notes form part of these financial statements

STATEMENT OF COMPREHENSIVE INCOME**FOR THE YEAR ENDED 30 JUNE 2011**

	2011 \$'000	2010 \$'000
Profit for the year	4,472	3,270
Other comprehensive income		
Exchange differences arising on translation of foreign operations	(1,111)	(77)
Gain / (loss) on revaluation of property	-	-
Total comprehensive income for the period	3,361	3,193
Total comprehensive income attributable to:		
Owners of the parent	3,361	3,193
	3,361	3,193

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION**FOR THE YEAR ENDED 30 JUNE 2011**

	2011 \$'000	2010 \$'000
Current Assets		
Cash and cash equivalents	4,928	2,936
Trade and other receivables	54,682	65,477
Inventories	10,750	13,523
Other current assets	130	258
Total current assets	70,490	82,194
Non current assets		
Property, plant and equipment	32,814	28,577
Intangible assets	20,439	20,439
Deferred tax assets	5,295	6,009
Other	13	188
Total non-current assets	58,561	55,213
Total assets	129,051	137,407
Current liabilities		
Trade and other payables	34,598	48,640
Financial liabilities	8,311	4,795
Short term provisions	5,258	4,735
Total current liabilities	48,167	58,170
Non-current liabilities		
Trade and other payables	-	7
Financial liabilities	4,820	3,814
Deferred tax liability	3,007	3,291
Long term provisions	1,224	1,219
Total non-current liabilities	9,051	8,331
Total liabilities	57,218	66,501
Net assets	71,833	70,906
Equity		
Issued capital	41,056	41,056
Reserves	2,446	3,557
Retained earnings	28,331	26,293
Total equity	71,833	70,906

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2011

Structural Systems Group	Note	Share Capital Ordinary \$'000	Retained Earnings (Accumulated Losses) \$'000	Asset Revaluation Surplus \$'000	Capital Profits Reserve \$'000	Foreign Currency Translation Reserve \$'000	Total \$'000
Balance at 1 July 2009		30,010	23,023	3,751	265	(382)	56,667
Profit attributable to members of parent entity		-	3,270	-	-	-	3,270
Other comprehensive income:							
Translation adjustment on controlled foreign entities' financial statements		-	-	-	-	(77)	(77)
Total comprehensive income		-	3,270	-	-	(77)	(3,193)
Transactions with owners as owners							
Shares issued during the year		11,499	-	-	-	-	11,499
Costs of raising capital		(453)	-	-	-	-	(453)
Balance at 30 June 2010		41,056	26,293	3,751	265	(459)	70,906
Profit attributable to members of parent entity		-	4,472	-	-	-	4,472
Other comprehensive income:							
Translation adjustment on controlled foreign entities' financial statements		-	-	-	-	(1,111)	(1,111)
Total comprehensive income		-	4,472	-	-	(1,111)	3,361
Transactions with owners as owners							
Dividends paid or provided for		-	(2,434)	-	-	-	(2,434)
Balance at 30 June 2011		41,056	28,331	3,751	265	(1,570)	71,833

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS**FOR THE YEAR ENDED 30 JUNE 2011**

	2011 \$'000	2010 \$'000
Cash flows from operating activities		
Cash receipts in the course of operations	268,002	311,455
Cash payments in the course of operations	(255,860)	(297,959)
Dividend received	-	-
Interest received	115	39
Finance costs	(1,074)	(1,067)
Income tax refunded	958	3,619
Net cash provided by (used in) operating activities	12,141	16,087
Cash flows from investing activities		
Proceeds from sale of discontinued operations	1,555	1,089
Payments for property, plant and equipment	(3,068)	(2,717)
Proceeds from sale of property, plant and equipment	240	115
Payment of deferred consideration for:		
- Meridian Concrete (Australia) Pty Ltd	-	(2,255)
- Refobar Australia Pty Ltd	-	(170)
- BBR Structural Systems	-	(269)
Net cash provided by (used in) investing activities	(1,273)	(4,207)
Cash flows from financing activities		
Proceeds from issue of shares	-	11,046
Repayment of borrowings	(5,888)	(17,729)
Dividends paid by parent entity	(2,434)	-
Net cash provided by (used in) financing activities	(8,322)	(6,683)
Net increase (decrease) in cash and cash equivalents held	2,546	5,197
Effect of exchange rates on cash and cash equivalent holdings	(554)	(77)
Cash and cash equivalents at beginning of financial year	2,936	(2,184)
Cash and cash equivalents at end of financial year	4,928	2,936

The accompanying notes form part of these financial statements

NOTES TO THE CONCISE FINANCIAL REPORTS

FOR THE YEAR ENDED 30 JUNE 2011

Note 1. Basis of preparation of the Concise Financial Report

The concise financial report is an extract from the full financial report for the year ended 30 June 2011. The concise financial report has been prepared in accordance with Accounting Standard AASB 1039: Concise Financial Reports, and the Corporations Act 2001.

The financial statements, specific disclosures and other information included in the concise financial report are derived from and are consistent with the full financial report of Structural Systems Limited and Controlled Entities. The concise financial report cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of Structural Systems Limited and Controlled Entities as the full financial report. A copy of the full financial report will be sent to any shareholder, free of charge, upon request.

The financial report of Structural Systems Limited and controlled entities comply with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety. The presentation currency used in this concise financial report is Australian dollars.

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

Note 2. Revenue

	2011 \$'000	2010 \$'000
Operating activities		
Rendering of services	229,539	247,202
Sale of goods	6,840	5,379
Interest received from other parties	115	39
Other revenue	488	909
	236,982	253,529
Non-operating activities		
Gain on disposal of property, plant and equipment	157	56
Total revenue	237,139	253,585

Note 3. Dividends

	2011 \$'000	2010 \$'000
Distribution paid		
The amounts paid, provided or recommended by way of dividend by the parent entity are:		
- Final fully franked ordinary dividend for the year ended 30 June 2010 of 2.5 cents (2009:nil) per share paid on 22 October 2010 franked at the tax rate of 30%	1,597	-
- Interim fully franked ordinary dividend for the year ended 30 June 2011 of 1.5 cents (2010:nil) per share paid on 13 May 2011 franked at a tax rate of 30%	958	-
Proposed and declared		
The directors have resolved to declare a final fully franked ordinary dividend of 2.5 cents (2010: 2.5 cents) per share payable on 18 November 2011, franked at the tax rate of 30% (2010:30%) based on 63,884,474 ordinary shares at 30th August 2011	1,597	1,597
	1,597	1,597

Note 4. 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:

	2011 \$'000	2010 \$'000
Loss of formwork division operations for the period	(5,038)	(5,975)
Gain (loss) on disposal of formwork operations	(10)	(10)
	(5,048)	(5,985)

The following were the results of the formwork division business for the period.

	2011 \$'000	2010 \$'000
Revenue	688	26,920
Operating expenses	(7,885)	(35,470)
Loss before income tax	(7,197)	(8,550)
Income tax benefit	2,159	2,565
Loss after income tax	(5,038)	(5,985)
Net cash provided by (used in) operating activities in relation to discontinued operations	(5,415)	(6,772)

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

Note 5. Segment reporting

Primary reporting – Business segments

	Construction		Mining		Consolidated Group (Continuing Operations)		Discontinued Operations	
	30/06/11 \$'000	30/06/10 \$'000	30/06/11 \$'000	30/06/10 \$'000	30/06/11 \$'000	30/06/10 \$'000	30/06/11 \$'000	30/06/10 \$'000
Revenue								
External sales	153,790	182,263	82,589	70,318	236,379	252,581	688	26,920
Other sales	488	874	-	47	488	921	-	-
Total sales revenue	154,278	183,137	82,589	70,365	236,867	253,502	688	26,920
Unallocated revenue					272	83		
Total revenue					237,139	253,585	688	26,920
Results								
Segment result	4,755	4,747	7,110	4,383	11,865	9,130	(7,197)	(8,550)
Income tax benefit / (expense)					(2,355)	125	2,159	2,565
Profit after income tax					9,510	9,255	(5,038)	(5,985)
Assets								
Segment assets	85,651	100,538	43,400	36,869	129,051	137,407		
Total assets					129,051	137,407		
Liabilities								
Segment liabilities	37,161	51,992	20,057	14,509	57,218	66,501		
Total assets					57,218	66,501		
Other								
Acquisitions of non-current segment assets (including hire purchase and lease commitments)	1,577	1,564	11,967	5,705	13,544	7,269		
Depreciation and amortisation of segment assets	1,764	1,922	7,394	5,795	9,158	7,717		

The Directors of Structural Systems Limited declare that the concise financial report of Structural Systems Limited and Controlled Entities for the financial year ended 30 June 2011, as set out on pages 29 to 36 and the discussion and analysis as included in the directors' report.

- (a) complies with Accounting Standard AASB 1039: Concise Financial Reports; and
- (b) is an extract from the full financial report for the year ended 30 June 2011 and has been derived from and is consistent with the full financial report of Structural Systems Limited and controlled entities.

This declaration is made in accordance with a resolution of the Board of Directors.



R.W Freedman
Director



D.R.Perry
Director

Dated: 29 September 2011



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
STRUCTURAL SYSTEMS LIMITED AND CONTROLLED ENTITIES**
ABN 57 006 413 574

Report on the concise financial report

The accompanying concise financial report of Structural Systems Limited and controlled entities (the "consolidated entity") comprises the statement of financial position as at 30 June 2011, the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and related notes, derived from the audited financial report of Structural Systems Limited and controlled entities for the year ended 30 June 2011, as well as the discussion and analysis. The concise financial report does not contain all the disclosures required by Australian Accounting Standards.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and presentation of the concise financial report in accordance with Australian Accounting Standard 1039: Concise Financial Reports (including Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal control relevant to the preparation of the concise financial report; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the concise financial report based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of Structural Systems Limited and controlled entities for the year ended 30 June 2011. Our auditor's report on the financial report for the year was signed on 29 September 2011 and was not subject to any modification. Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

Our procedures in respect of the concise financial report included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Accounting Standard AASB 1039: Concise Financial Reports and whether the discussion and analysis complies with the requirements set out in AASB 1039.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Auditor's Opinion

In our opinion, the concise financial report including the discussion and analysis of Structural Systems Limited and controlled entities for the year ended 30 June 2011 complies with Accounting Standard AASB 1039: Concise Financial Reports.

William Buck

William Buck Audit (VIC) Pty Ltd
ABN 59 116 151 136

J.C. Luckins

J.C. Luckins
Director

Dated this 29th day of September, 2011

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SHAREHOLDER INFORMATION

Distribution of shareholders and shareholdings at close of business 31 August 2011

Size of holding	Number of shareholders	Number of shares
1-1,000	237	141,634
1,001 to 5,000	451	1,290,636
5,001 to 10,000	286	2,225,037
10,001 to 100,000	584	18,158,254
100,001 to (MAX)	77	42,068,913
	1,635	63,884,474

The number of shareholders holding less than a marketable parcel (\$500.00) at 31 August 2011 is 124 holding 36,890 shares.

Twenty largest shareholders	Number of shares	Percentage of issued capital
J P Morgan Nominees Australia Limited	11,591,372	18.14%
National Nominees Pty Limited	5,491,289	8.60%
Sandhurst Trustees Ltd <JMFG Consol A/c>	2,500,021	3.91%
Kingemel Pty Ltd	1,394,743	2.18%
Tintagel Nominees Pty Ltd	1,099,136	1.72%
HSBC Custody Nominees (Australia) Limited	1,091,038	1.71%
McMorrow Super Fund A/c	1,019,887	1.60%
Mr Philip Henry Hall	1,015,000	1.59%
Escor Investments Pty Ltd	900,000	1.41%
Sandhurst Trustees Ltd <JM MPS A/c>	667,898	1.05%
Mrs Hilary Jean Hall	600,000	0.94%
Mr Kenneth John Beer <Beer Super Fund A/c>	564,941	0.88%
Mr David Bates <Bates Super Fund A/c>	511,170	0.80%
Harg Pty Limited	503,773	0.79%
Meridian Concrete Pty Ltd	503,144	0.79%
JD Building Pty Ltd	488,788	0.77%
Onitrammas Nominees Pty Ltd	488,787	0.77%
Brindle Holdings Pty Ltd <O'Connor S/F A/C>	446,154	0.70%
Mr David Perry	390,000	0.61%
Velkov Funds Management Limited <Victor Value Fund A/C>	365,000	0.57%
Top 20 holders of ordinary fully paid shares as at 31 August 2011	31,632,141	49.51%

Substantial shareholders	Number of shares	Percentage of issued capital
JP Morgan Nominees Australia Limited	11,591,372	18.14%
National Nominees Pty Limited	5,491,289	8.60%

Voting rights

Shareholders are encouraged to attend the Annual General Meeting. However, when this is not possible, they are encouraged to use the form of Proxy by which they can express their views on matters being brought forward at the meeting.

Every shareholder, proxy or shareholder's representative has one vote on a show of hands. In the case of a poll, each share held by every shareholder, proxy or representative is entitled to one vote for each fully paid share.

Dividend reinvestment plan

The directors have determined that the dividend reinvestment plan remains suspended.

Dividend Payment Direct to a Bank, Building Society or Credit Union Account

Australian Shareholders may elect to have dividends paid directly into any Bank, Building Society or Credit Union account in Australia.

Company Secretary

The Company Secretary is Stuart Gray.

Registered Office

The registered office of the Company is:

112 Munro Street, South Melbourne Victoria 3205

Telephone: (03) 9296 8100

Facsimile: (03) 9646 7133

Website: www.structuralsystems.com.au

Stock Exchange Listing

Structural Systems Limited shares are listed on the Australian Securities Exchange. Home exchange is Melbourne.

Share Register

If you have any questions in relation to your shareholding, please contact our Share Registry:

Computershare Registry Services Pty Limited

452 Johnston Street

Abbotsford Victoria 3067

Telephone: 1300 137 328

Facsimile: 1300 137 341

Please include your shareholder reference number (SRN) or holder identification number (HIN) in all correspondence to the Share Registry.

Incorporation

Structural Systems Limited is incorporated in the State of Victoria.

Auditors

William Buck.

Bankers

National Australia Bank.



Cover.
Main Pit Rehabilitation Works
Iron Ore Mine
Koolan Island
WA

Above.
Permanent Ground Anchor Works
Wellington Dam
Collie
WA

Left.
Slab Post-Tensioning Works
Royal North Shore Hospital - Helipad
Sydney
NSW

Below.
Slab Post-Tensioning Works
Levy Business Park
Zambia
AFRICA



