



PETER MCMORROW - CHAIRMAN'S ADDRESS 2014 AGM (19th NOVEMBER 2014)

In the FY14 Annual Report, I expressed my disappointment at the final net profit of \$2.1m before tax and \$1.3m after tax. Clearly this is an unacceptable result.

Further, the Company is operating within changing market conditions in the construction and mining sectors. However, I am confident that with the renewal of the Board and senior management team, the company is well placed for the future.

On 30 June 2014, Mr Bob Freedman stepped down as Chairman and I accepted the role of Chair from 1 July 2014. I would like to express my gratitude to Bob for his passion and commitment to the company over many years. I am pleased that Bob remains a Director of the Company.

Further the appointment of Mr Peter Brecht and Mr Michael Atkins to the Board brings diversity and skill that will greatly benefit the Group.

Mr Fraser who has been a Director for 10 years is not standing for re-election and retires from the Board today. On behalf of the Company, I would like to thank Ian for his valued input over all those years as a Director and Chair of the Audit Committee.

The process of rebuilding, particularly in tough market conditions will be challenging but our united focus as the Board and senior management will be on delivering sustainable and consistent returns to our shareholders.

I have had the pleasure of working with both Mr David Macgeorge, Managing Director and Mr Roger Lee, CFO and Company Secretary before, so it comes as no real surprise to me to be witnessing their decisive approach and strong leadership in developing a new vision and strategy and embedding real cultural change in the business.

It is imperative that we build strong foundations on which we can base our future success. These foundations will be built around our values of Zero Harm, Innovation, Integrity, Teamwork and Excellence.

Thank you.



DAVID MACGEORGE - MANAGING DIRECTOR'S ADDRESS 2014 AGM (19th NOVEMBER 2014)

As the incoming Managing Director I would like to start with the fact that I am honoured to be leading Structural Systems which has a long and proud history and a loyal shareholder base. However as Peter has indicated the 2014 financial performance was disappointing and unacceptable.

Financials

Financially the group had a very disappointing year. Group revenue was \$223.1 million for the year, 18% down on the previous year primarily due to the sale of the Meridian business.

NPAT was \$1.3M against a 2013 result of \$3.22M, delivering earnings per share of 2.0 cents against earnings per share of 5.1 cents the previous year.

Cash management has been and will continue to be a primary focus for the business with the Group increasing cash flow from operations to \$28.5M, up from \$13.3M the previous year with a closing cash balance of \$22.7M against \$7.1M last year.

Importantly the Group has no net debt which provides us with a strong platform for the future.

The strong cash performance and debt position resulted in in the Board declaring a full year fully franked dividend of 4.0 cents per share in line with the previous year.

Operations

I would like to start the operational overview of 2014 performance with the number one core value for the business – the safety of our people. Pleasingly a number of businesses across the Group continued to record very positive performance with the Rock Mining, Civil, Southern and Western Post Tensioning businesses remaining Lost Time Injury Free over the previous financial year. Importantly the Group also successfully retained all Safety, Quality and Environmental accreditations.

Operationally the results were mixed. The Rock Mining business had a strong financial performance with NPBT of \$6.4M, up 60% from 2013, however a number of term contracts have come to completion in FY14. This left a closing work in hand at the end of the financial year of \$77.5M, down from \$91.1M the previous year with a challenging outlook ahead.

The Civil business had a record year with some well executed projects in the dam space, however the challenge ahead is to replicate the success with a reduced work in hand pipeline moving forward.

The Building Post Tensioning business had a disappointing year with significant issues on some large projects that are now close to completion.

Our Remedial services business continued to experience highly competitive market conditions which are expected to continue in 2015.



Our Products business under the Refobar banner had a positive year with revenue up 8% on the previous year and this business is expected to again perform positively in 2015 with the Group taking a greater focus on the products that we offer.

Overall the Construction business ended the financial year with \$66M work in hand, down from \$88.4M the previous year. This represents a significant issue for the business with the long lead times required to secure new work, particularly in the Civil space.

At this point in time there is no further update on the Eastern Treatment Plant issue. As has been outlined previously the matter is highly complex and the subject of litigation that is sensitive from a commercial and legal perspective. I will provide further updates in the future as this matter progresses.

Outlook for 2015

It is our expectation that the half year net profit before tax is in the range of \$2.0m to \$2.5m. However, I am under no illusion that we face a challenging year ahead in a tough operating environment as we lay the foundation for the sustainable success of the company in the future. The goal is to become a market leader in the provision of complex services to the construction and mining sectors, leveraging our technical capability, innovative approach and ability to deliver for our customers.

The goal will be driven by a “One Business – One Team” approach to drive real cultural change and leverage the breadth of our business so that we are working together as one. This will be underpinned by:

- Financial rigour and discipline in commercials and project execution.
- Structuring for success through a lean “one business” approach whilst maintaining our strong technical capability.
- Developing the leadership strength of the business.
- Dedicated strategic business development to proactively pursue opportunities
- Leveraging the Group to drive growth through our diverse offering and taking advantage of cross selling opportunities. This will include re-branding the company under one strong brand to ensure market understanding of the breadth of our capability.

I am confident that the difficult decisions and actions that are being taken this year will position the company for long term sustainable success and consistent returns for our shareholders. I ask that our shareholders be patient and supportive as the business transformation will take time, however I am looking forward to working with the Board and the people in our business to drive our long term success.

Thank you.



Structural Systems

Structural Systems Limited

Annual General Meeting

19 November 2014



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CHAIRMAN'S ADDRESS

Post-Tensioning, Civil and Remedial Works, Barangaroo, NSW

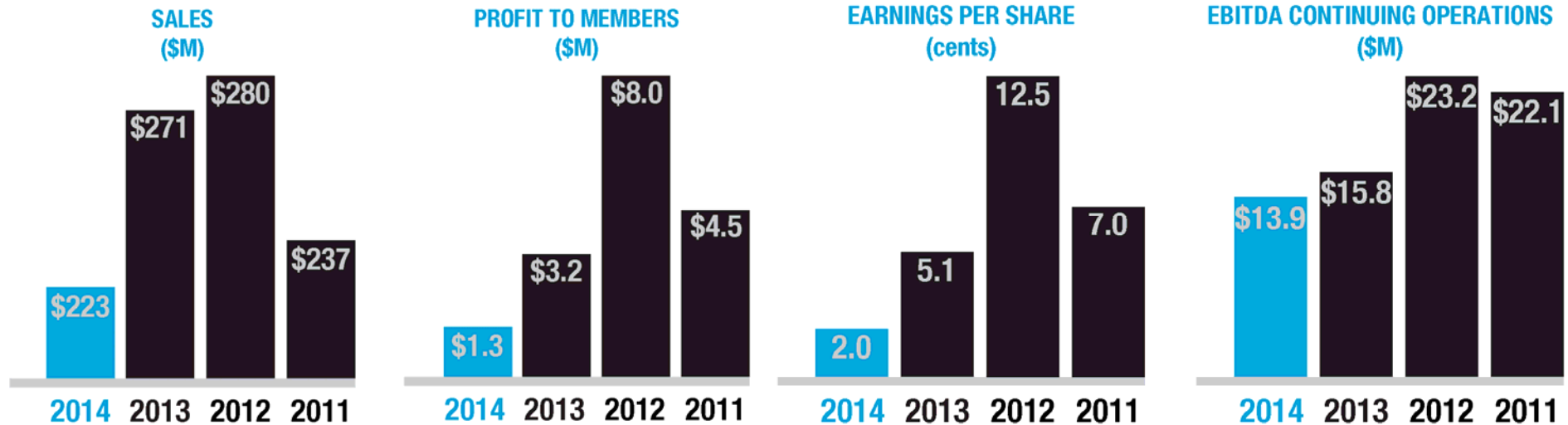


MANAGING DIRECTOR'S ADDRESS



Lake Cowal Gold Mine, West Wyalong NSW

FY14 PERFORMANCE



- Group Revenue \$223M
- NPAT \$1.3M
- EPS 2.0 cents
- \$28.5M in cashflow from operations
- Closing cash balance \$22.7M
- Nil net debt
- Dividend payout 4.0 cents

OPERATIONAL OVERVIEW FOR 2014

- Number of businesses 2 years LTI free
- Successfully maintained SQE accreditations
- Strong financial performance in Mining
- Mining WIH \$77.5M June 14 vs \$91.1M June 13
- Record year in Civil
- Disappointing year in Building PT
- Construction WIH \$66M June 14 vs \$88.4M June 13

OUTLOOK FOR 2015

- NPBT guidance for half year of \$2.0M to \$2.5M
- Difficult year in a tough operating environment
- Laying the foundation for future success
- Goal of market leader in complex services
- One Business One Team approach
 - Financial rigour and discipline : commercials / project execution
 - Lean one business structure
 - Developing the leadership strength
 - Dedicated strategic business development
 - Leverage the group to drive growth : diverse offering / cross selling