MARKET UPDATE

29th July 2009

2009 Profit Guidance

The Directors of Structural Systems Limited ("the Company") advise that the net profit after tax for the year ending 30 June 2009 is likely to be in the range of $8.3 million to $8.5 million. Earnings per share based on this forecast are approximately $0.17. Sales revenue for the same period is expected to be approximately $320 million.

The second half result has been adversely affected by losses emanating from the Company's Construction operation in Victoria. The majority of the losses incurred by this division are attributable to the following factors:

- Increased steel prices in the first half of 2009 which were not able to be recovered from customers. While we have seen steel tonnage prices reduce and stabilise in the second half the first half losses have not been able to be recovered.

- Inclement weather conditions in Victoria exceeded budgeted contract allowances particularly in early February and April when the Construction division was at full capacity.

- Delays and cost overruns in the completion of two major projects during the last quarter of 2009.

The after tax cost of these factors is in the order of $6.4 million. Whilst we believe that these cost overruns are non-recurring the Construction market in Victoria has tightened considerably during the second half period. Consequently available opportunities have decreased and as a consequence pricing has become considerably more competitive.

The Board is of the view that whilst these market conditions remain, the focus of the company is better directed towards the Specialised Contracting Services that the Company provides to the Oil & Gas, Mining and Infrastructure markets.

Whilst business conditions for the Specialist Services divisions of the Group have been challenging during the 2009 year the Post-Tensioning, Mining and Civil and Major Projects divisions have all performed well and in line with expectations.

ROCK Australia has recorded record revenue and profit for the 2009 year. This has been achieved despite an overall reduction in mining activity in Australia and the closure of several major mines earlier this year. ROCK Australia's drill fleet utilisation is underpinned by several long term contracts.

The Company's Major Projects division continues to benefit from the increase in infrastructure spending. Works associated with water management have featured prominently for this division over the last three years and we are expecting to see increased opportunities for this division over the coming years. Substantial increases in spending in both the private and Government sectors is expected on facilities for LNG and LPG in Australia and overseas where the Company has an international track record of involvement in these types of projects.

The Company's Post-Tensioning division has been able to maintain market share and produce solid results for the year. Forward orders look promising for this division and our position as one of the market leaders is expected to be maintained.

Tax 2009

The expected after tax result is based on the Company's tax rate reducing to approximately 7%. This is a substantial reduction on the tax rate for prior years and is due to a higher proportion of income being generated from overseas operations, R&D tax credits and also the matching of tax depreciation to effective life of the Company's drill rig fleet.

Debt

Net debt at 30 June 2009 was approximately $24 million. Of this value $9 million related to hire purchase liability primarily for Rock Australia, $2.8 million for the funding of Meridian acquisition and the balance related to the funding of working capital requirements.

Outlook 2010

The board is positive about the outlook for the 2010 year. With the elimination of this years non-recurring losses and the level of work in hand in our Mining, Major Projects and other divisions, the Company is forecasting an improved result in the year ahead.

Further details will be provided when the full year accounts are released in full.

David Perry
Managing Director