



**STRUCTURAL SYSTEMS LIMITED  
ABN 57 006 413 574  
AND CONTROLLED ENTITIES**

**INTERIM FINANCIAL REPORT  
FOR THE HALF-YEAR ENDED  
31 DECEMBER 2008**

**STRUCTURAL SYSTEMS LIMITED ABN 57 006 413 574  
AND CONTROLLED ENTITIES**

**INTERIM FINANCIAL REPORT**

**DIRECTORS' REPORT**

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The directors of Structural Systems Limited present their report on the consolidated group for the half-year ended 31 December 2008.

**Directors**

The names of the directors in office at any time during or since the end of the half-year are:

Robert W Freedman

David R Perry

Bruce A Crome

Ian L Fraser

**Review of Operations**

The half year operating profit before tax of \$7.125 million was down 25% on the corresponding period. The after tax result was \$5.289 million. Revenue for the period was \$176.124 million which was up 46% on the corresponding period and an increase of 9% on the volume recorded for the last six months of the 2008 financial year.

Diluted earnings per share decreased from 14.8 cents per share to 10.8 cents per share. Basic earnings per share fell from 14.9 cents to 10.8 cents per share.

Cashflow from operating activities was down on the prior corresponding period, and consumed \$23K during the period. The substantial difference between the periods however was due to tax payments made during this period of \$5.0 million compared to \$613K for the corresponding period. Actual net cash received in the course of operations increased by 25% to \$4.455 million. Expenditure on plant and equipment was similar to the corresponding period.

Total debt at the end of the period was \$22.169 million, which equates to a debt to equity ratio of 41%. The Board is focused on reducing the level of debt being carried by the Company in the short to medium term. At December 2008 approximately \$8 million of our total debt related to working capital funding. The increased working capital requirements of the business are directly tied to the operating volumes of the Company.

The balance of debt is hire purchase asset funding of \$10.2 million and \$4 million related to the borrowings for the initial purchase payment for Meridian Concrete. The repayment schedules for both these facilities have these debts substantially cleared by the end of June 2010.

Most divisions within the Group performed to expectations at an operating level. However, profit in the period was affected by the increasing cost during the period of key supply items. The extent and swiftness of the increase in strand and steel prices was not adequately captured in the tender process. These overruns against budget allowances is estimated to have cost the company an additional \$3 million against budget. The price escalation that occurred during the 2008 calendar year was unprecedented.

**STRUCTURAL SYSTEMS LIMITED ABN 57 006 413 574  
AND CONTROLLED ENTITIES**

**INTERIM FINANCIAL REPORT**

**DIRECTORS' REPORT (continued)**

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Despite some tightening in the mining services sector our Civil and Mining services company Rock Australia performed very well during the period. Rock has so far not been materially affected by the recent mine closures announced around Australia. The Company's capital equipment exposure is well balanced against its term contracts and mine life expectations. Revenue from this division rose by 25% to \$27.151 million.

The Group's technical capability allows it to be very competitive as cost pressure enters the construction market. Our technology and specialist construction experience assists clients with alternative designs and aims to reduce construction costs. Additionally, the Group's track record in major infrastructure works is becoming very important as this market sector continues to develop and provide opportunities. This market sector is anticipated to grow significantly as a result of the recently announced Federal Government economic stimulus package. Additionally, State Governments are undertaking an increased number of capital works programs which are expected to provide further opportunities for the Structural Systems Group. The recent award of the anchoring works for the Catagunya Dam project in Tasmania is an example of this.

The Group's Remedial divisions are starting to see increased demand and the Board expects this to continue as new construction tightens.

Work in hand at 31 December 2008 was \$237 million, which is a record level for the group. The majority of these contracted works is with long-standing, repeat clients.

**Interim Dividend**

The Board has determined that no interim dividend will be declared. With the prevailing economic circumstances the Board is of the view that now is a time for conservatism. By leaving the decision regarding the payment of a dividend until after the full year result is known, the Board believes it will be much better placed to determine the dividend payout level that is appropriate for the Company.

The Board has confidence in the future prospects of the Company and believes that it is well placed to continue to deliver solid results to its shareholders. Based on current work in hand and expected future prospects the Board is expecting to declare a final dividend.

**STRUCTURAL SYSTEMS LIMITED ABN 57 006 413 574  
AND CONTROLLED ENTITIES**

**INTERIM FINANCIAL REPORT**

**DIRECTORS' REPORT (continued)**

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**Auditor's Independence Declaration**

The Auditor's Independence Declaration on page 16 forms part of the Director's Report for the half year ended 31 December 2008.

**Rounding of Amounts**

The consolidated group has applied the relief available to it in ASIC Class Order 98/100 and accordingly certain amounts in the financial report and the directors' report have been rounded off to the nearest \$1,000.

Signed in accordance with a resolution of the Board of Directors:



**R.W. Freedman**  
Director



**D.R. Perry**  
Director

Dated: 25 February 2009

**STRUCTURAL SYSTEMS LIMITED ABN 57 006 413 574  
AND CONTROLLED ENTITIES  
CONSOLIDATED INCOME STATEMENT  
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

|   |             | <b>CONSOLIDATED<br/>GROUP</b> |                             |
|---|-------------|-------------------------------|-----------------------------|
|   | <b>Note</b> | <b>31 Dec 08<br/>\$'000</b>   | <b>31 Dec 07<br/>\$'000</b> |
| Revenue   | 2(a)        | 176,124                       | 120,863                     |
| Raw materials and consumables used for sale<br>of goods                       |             | (5,793)                       | (2,651)                     |
| Construction and servicing costs  |             | (165,981)                     | (103,559)                   |
| Change in inventories and raw materials                                       |             | 12,120                        | 1,827                       |
| Depreciation and amortisation expense   | 2(b)        | (3,413)                       | (2,759)                     |
| Finance Cost  |             | (754)                         | (360)                       |
| Other expenses  |             | (5,178)                       | (4,327)                     |
| Share of net profits of associates accounted for<br>using the equity method   |             | -                             | 473                         |
|   |             | <hr/>                         | <hr/>                       |
| <b>Profit before income tax expense</b>                                       |             | <b>7,125</b>                  | <b>9,507</b>                |
| Income tax expense  | 3           | (1,816)                       | (2,525)                     |
|   |             | <hr/>                         | <hr/>                       |
| <b>Profit after income tax expense</b>  |             | <b>5,309</b>                  | <b>6,982</b>                |
| Profit attributable to minority equity interests                              |             | (20)                          | -                           |
|   |             | <hr/>                         | <hr/>                       |
| <b>Profit for the period attributable to<br/>members of the parent entity</b> |             | <b>5,289</b>                  | <b>6,982</b>                |
|   |             | <hr/> <hr/>                   | <hr/> <hr/>                 |
| Basic EPS   |             | 10.8 cents                    | 14.9 cents                  |
| Diluted EPS   |             | 10.8 cents                    | 14.8 cents                  |

The accompanying notes form part of these financial statements

**STRUCTURAL SYSTEMS LIMITED AND CONTROLLED ENTITIES  
CONSOLIDATED BALANCE SHEET  
AS AT 31 DECEMBER 2008**

|                                      |      | <b>CONSOLIDATED<br/>GROUP</b> |                     |
|--------------------------------------|------|-------------------------------|---------------------|
|                                      | Note | 31 Dec 08<br>\$'000           | 30 Jun 08<br>\$'000 |
| <b>Current assets</b>                |      |                               |                     |
| Cash and cash equivalents            |      | 796                           | 2,571               |
| Trade and other receivables          |      | 57,635                        | 74,900              |
| Inventories                          |      | 27,140                        | 15,020              |
| Other current assets                 |      | 685                           | 287                 |
| <b>Total current assets</b>          |      | <b>86,256</b>                 | <b>92,778</b>       |
| <b>Non-current assets</b>            |      |                               |                     |
| Trade and other receivables          |      | -                             | 2                   |
| Property, plant and equipment        |      | 32,024                        | 25,769              |
| Intangible assets                    |      | 16,226                        | 16,189              |
| Deferred tax assets                  |      | 3,525                         | 3,499               |
| <b>Total non-current assets</b>      |      | <b>51,775</b>                 | <b>45,459</b>       |
| <b>Total assets</b>                  |      | <b>138,031</b>                | <b>138,237</b>      |
| <b>Current liabilities</b>           |      |                               |                     |
| Trade and other payables             |      | 52,411                        | 61,800              |
| Short-term financial liabilities     |      | 15,697                        | 8,231               |
| Current tax liabilities              |      | 325                           | 4,053               |
| Short-term provisions                |      | 5,918                         | 7,116               |
| <b>Total current liabilities</b>     |      | <b>74,351</b>                 | <b>81,200</b>       |
| <b>Non-current liabilities</b>       |      |                               |                     |
| Trade and other payables             |      | 121                           | 250                 |
| Long-term financial liabilities      |      | 6,473                         | 7,573               |
| Deferred tax liabilities             |      | 2,183                         | 414                 |
| Long-term provisions                 |      | 988                           | 590                 |
| <b>Total non-current liabilities</b> |      | <b>9,765</b>                  | <b>8,827</b>        |
| <b>Total liabilities</b>             |      | <b>84,116</b>                 | <b>90,027</b>       |
| <b>Net assets</b>                    |      | <b>53,915</b>                 | <b>48,210</b>       |
| <b>Equity</b>                        |      |                               |                     |
| Issued capital                       | 8    | 29,219                        | 29,219              |
| Share option equity                  |      | 1,062                         | 1,062               |
| Reserves                             |      | 4,180                         | 652                 |
| Retained earnings                    |      | 19,424                        | 17,329              |
| <b>Parent entity interests</b>       |      | <b>53,885</b>                 | <b>48,262</b>       |
| Minority equity interests            |      | 30                            | (52)                |
| <b>Total equity</b>                  |      | <b>53,915</b>                 | <b>48,210</b>       |

The accompanying notes form part of these financial statements

**STRUCTURAL SYSTEMS LIMITED AND CONTROLLED ENTITIES  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

| <b>CONSOLIDATED GROUP</b>   | <b>Note</b> | <b>Share<br/>Capital<br/>Ordinary<br/>\$'000</b> | <b>Share<br/>Options<br/>Equity<br/>\$'000</b> | <b>Retained<br/>Earnings<br/>\$'000</b> | <b>Asset<br/>Revaluation<br/>Reserve<br/>\$'000</b> | <b>Capital<br/>Profits<br/>Reserve<br/>\$'000</b> | <b>Foreign<br/>Currency<br/>Translation<br/>Reserve<br/>\$'000</b> | <b>Minority<br/>Equity<br/>Interests<br/>\$'000</b> | <b>Total<br/>\$'000</b> |
|---|-------------|--|--|---|---|---|--|---|-------------------------|
| <b>Balance at 1 July 2007</b>   |             | 24,460   | 500  | 7,462                                   | 918   | 265   | (364)  | (62)  | 33,179                  |
| Shares issued during the period   |             | 4,753  |  |   |   |   |  |   | 4,753                   |
| Share options issued during the period                                      |             |  | 146  |   |   |   |  |   | 146                     |
| Profit attributable to members of parent entity                             |             |  |  | 6,982                                   |   |   |  |   | 6,982                   |
| Translation adjustment on controlled foreign entities' financial statements |             |  |  |   |   |   | (37)   |   | (37)                    |
| <b>Sub-total</b>  |             | <b>29,213</b>                                    | <b>646</b>                                     | <b>14,444</b>                           | <b>918</b>  | <b>265</b>  | <b>(402)</b>   | <b>(62)</b>   | <b>45,022</b>           |
| Dividends paid or provided for  | 4           |  |  | (2,858)                                 |   |   |  |   | (2,858)                 |
| <b>Balance at 31 December 2007</b>  |             | <b>29,213</b>                                    | <b>646</b>                                     | <b>11,586</b>                           | <b>918</b>  | <b>265</b>  | <b>(402)</b>   | <b>(62)</b>   | <b>42,164</b>           |
| Shares issued during the period   |             | 6  |  |   |   |   |  |   | 6                       |
| Share options issued during the period                                      |             |  | 416  |   |   |   |  |   | 416                     |
| Profit attributable to members of parent entity                             |             |  |  | 8,200                                   |   |   |  |   | 8,200                   |
| Translation adjustment on controlled foreign entities' financial statements |             |  |  |   |   |   | (129)  |   | (129)                   |
| Profit attributable to minority shareholders                                |             |  |  |   |   |   |  | 10  | 10                      |
| <b>Sub-total</b>  |             | <b>29,219</b>                                    | <b>1,062</b>                                   | <b>19,786</b>                           | <b>918</b>  | <b>265</b>  | <b>(531)</b>   | <b>(52)</b>   | <b>50,667</b>           |
| Dividends paid or provided for  | 4           |  |  | (2,457)                                 |   |   |  |   | (2,457)                 |
| <b>Balance at 30 June 2008</b>  |             | <b>29,219</b>                                    | <b>1,062</b>                                   | <b>17,329</b>                           | <b>918</b>  | <b>265</b>  | <b>(531)</b>   | <b>(52)</b>   | <b>48,210</b>           |

The accompanying notes form part of these financial statements

**STRUCTURAL SYSTEMS LIMITED AND CONTROLLED ENTITIES  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008 (Continued)**

| <b>CONSOLIDATED GROUP</b>   | <b>Note</b> | <b>Share<br/>Capital<br/>Ordinary<br/>\$'000</b> | <b>Share<br/>Options<br/>Equity<br/>\$'000</b> | <b>Retained<br/>Earnings<br/>\$'000</b> | <b>Asset<br/>Revaluation<br/>Reserve<br/>\$'000</b> | <b>Capital<br/>Profits<br/>Reserve<br/>\$'000</b> | <b>Foreign<br/>Currency<br/>Translation<br/>Reserve<br/>\$'000</b> | <b>Minority<br/>Equity<br/>Interests<br/>\$'000</b> | <b>Total<br/>\$'000</b> |
|---|-------------|--|--|---|---|---|--|---|-------------------------|
| <b>Balance at 1 July 2008</b>   |             | 29,219   | 1,062  | 17,329                                  | 918   | 265   | (531)  | (52)  | 48,210                  |
| Profit attributable to members of parent entity                             |             |  |  | 5,289                                   |   |   |  |   | 5,289                   |
| Translation adjustment on controlled foreign entities' financial statements |             |  |  |   |   |   | 695  |   | 695                     |
| Revaluation increment   |             |  |  |   | 2,833   |   |  |   | 2,833                   |
| Acquisition of minority share   |             |  |  |   |   |   |  | 62  | 62                      |
| Profit attributable to minority shareholders                                |             |  |  |   |   |   |  | 20  | 20                      |
| <b>Sub-total</b>  |             | <b>29,219</b>                                    | <b>1,062</b>                                   | <b>22,618</b>                           | <b>3,751</b>  | <b>265</b>  | <b>164</b>   | <b>30</b>   | <b>57,109</b>           |
| Dividends paid or provided for  | 4           |  |  | (3,194)                                 |   |   |  |   | (3,194)                 |
| <b>Balance at 31 December 2008</b>  |             | <b>29,219</b>                                    | <b>1,062</b>                                   | <b>19,424</b>                           | <b>3,751</b>  | <b>265</b>  | <b>164</b>   | <b>30</b>   | <b>53,915</b>           |

The accompanying notes form part of these financial statements



**STRUCTURAL SYSTEMS LIMITED AND CONTROLLED ENTITIES  
CONSOLIDATED CASH FLOW STATEMENT  
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

|   | <b>CONSOLIDATED GROUP</b> |                  |
|---|---------------------------|------------------|
|   | <b>31 Dec 08</b>          | <b>31 Dec 07</b> |
|   | <b>\$'000</b>             | <b>\$'000</b>    |
| <b>Cash flows from operating activities</b>                     |                           |                  |
| Cash receipts in the course of operations                       | 208,028                   | 115,060          |
| Cash payments in the course of operations                       | (203,573)                 | (111,485)        |
| Dividends received  | 1,240                     | -                |
| Interest received   | 81                        | 271              |
| Finance costs   | (750)                     | (452)            |
| Income tax refunded (paid)                                      | (5,049)                   | (613)            |
| <b>Net cash provided by (used in) operating activities</b>      | <b>(23)</b>               | <b>2,781</b>     |
| <b>Cash flows from investing activities</b>                     |                           |                  |
| Proceeds from sale of associated company                        | 1,860                     | -                |
| Payment for purchases of property, plant and equipment          | (2,317)                   | (2,149)          |
| Proceeds from sale of property, plant and equipment             | 274                       | 38               |
| Loans (to) / from related entities (net)                        | 187                       | (55)             |
| Payments for controlled entities                                | (1,553)                   | (6,386)          |
| <b>Net cash provided by (used in) investing activities</b>      | <b>(1,549)</b>            | <b>(8,552)</b>   |
| <b>Cash flows from financing activities</b>                     |                           |                  |
| Proceeds from issues of shares                                  | -                         | 452              |
| Proceeds from borrowings  | 300                       | 6,000            |
| Lease and lease purchase payments                               | (2,414)                   | (2,005)          |
| Dividends paid by parent entity                                 | (3,194)                   | (2,857)          |
| <b>Net cash provided by (used in) financing activities</b>      | <b>(5,308)</b>            | <b>1,590</b>     |
| <b>Net increase (decrease) in cash held</b>                     | <b>(6,880)</b>            | <b>(4,181)</b>   |
| Cash at beginning of period                                     | 2,572                     | 7,126            |
| Effect of exchange rates on cash holdings in foreign currencies | 695                       | (37)             |
| <b>Cash at end of period</b>                                    | <b>(3,613)</b>            | <b>2,908</b>     |

The accompanying notes form part of these financial statements

**STRUCTURAL SYSTEMS LIMITED AND CONTROLLED ENTITIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

**1 BASIS OF PREPARATION**

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2008 and any public announcements made by Structural Systems Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the entities in the consolidated group and are consistent with those in the June 2008 financial report.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

**Reporting basis and Conventions**

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and where applicable, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

**STRUCTURAL SYSTEMS LIMITED AND CONTROLLED ENTITIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

**2 PROFIT FOR THE PERIOD**

The following revenue and expense items are relevant in explaining the financial performance for the interim period:

|  | <b>CONSOLIDATED GROUP</b> |                  |
|--|---------------------------|------------------|
|  | <b>31 Dec 08</b>          | <b>31 Dec 07</b> |
|  | <b>\$'000</b>             | <b>\$'000</b>    |
| <b>(a) Revenue</b>   |                           |                  |
| Operating activities   |                           |                  |
| - Sale of goods  | 4,525                     | 3,874            |
| - Rendering of services  | 171,019                   | 116,622          |
| - Interest received  | 81                        | 271              |
| - Other revenue  | 497                       | 96               |
|  | <b>176,122</b>            | <b>120,863</b>   |
| Non-operating activities                                       |                           |                  |
| - Gain on disposal of property, plant & equipment              | 2                         | -                |
| <b>Total Revenue</b>   | <b>176,124</b>            | <b>120,863</b>   |
| <b>(b) Expenses</b>  |                           |                  |
| Amortisation and depreciation of:                              |                           |                  |
| - Buildings  | 31                        | 25               |
| - Plant and equipment  | 3,379                     | 2,731            |
| - Leasehold improvements                                       | 3                         | 3                |
|  | <b>3,413</b>              | <b>2,759</b>     |
| Loss on disposal of property, plant and equipment              | <b>10</b>                 | <b>16</b>        |
| <b>3 INCOME TAX EXPENSE</b>                                    |                           |                  |
| Current tax-relating to current period                         | 1,839                     | 3,065            |
| Deferred tax-origination and reversal of temporary differences | 518                       | (540)            |
| Under (over) provision in respect of prior years.              | (541)                     | -                |
|  | <b>1,816</b>              | <b>2,525</b>     |

**STRUCTURAL SYSTEMS LIMITED AND CONTROLLED ENTITIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

| <b>4 DIVIDENDS PAID OR PROPOSED</b>   | <b>CONSOLIDATED GROUP</b> |                  |
|---|---------------------------|------------------|
|   | <b>31 Dec 08</b>          | <b>31 Dec 07</b> |
|   | <b>\$'000</b>             | <b>\$'000</b>    |
| <b>Distributions Paid</b>   |                           |                  |
| Declared final fully franked ordinary dividend of 6.5 cents per share (2007: 6 cents) franked at the tax rate of 30% (2007: 30%) for the year ended 30 June 2008 (2007: 30 June 2007) | 3,194                     | 2,858            |
| <b>Distributions Declared</b>   |                           |                  |
| No interim dividend is declared for the half year ended 31 December 2008 (2007: 5.0 cents fully franked)  | -                         | 2,457            |

**5 CONTINGENT LIABILITIES**

There have been no significant changes in contingent liabilities since the last annual reporting date.

**6 EVENTS SUBSEQUENT TO REPORTING DATE**

There were no material events subsequent to the end of the interim period that have not been recognised in the interim financial statements.

**STRUCTURAL SYSTEMS LIMITED AND CONTROLLED ENTITIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

**7 SEGMENT INFORMATION**

**PRIMARY REPORTING – BUSINESS SEGMENTS**

|   | CONSTRUCTION        |                     | MINING              |                     | CORPORATE           |                     | ELIMINATIONS        |                     | CONSOLIDATED GROUP  |                     |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | 31 Dec 08<br>\$'000 | 31 Dec 07<br>\$'000 | 31 Dec 08<br>\$'000 | 31 Dec 07<br>\$'000 | 31 Dec 08<br>\$'000 | 31 Dec 07<br>\$'000 | 31 Dec 08<br>\$'000 | 31 Dec 07<br>\$'000 | 31 Dec 08<br>\$'000 | 31 Dec 07<br>\$'000 |
| <b>REVENUE</b>                                      |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| External Sales                                      | 148,393             | 98,876              | 27,151              | 21,621              | -                   | -                   | -                   | -                   | 175,544             | 120,497             |
| Other segments                                      | 405                 | 92                  | -                   | 35                  | 2,990               | 3,526               | (2,899)             | (3,558)             | 496                 | 96                  |
| Total sales revenue                                 | 148,798             | 98,968              | 27,151              | 21,656              | 2,990               | 3,526               | (2,899)             | (3,558)             | 176,040             | 120,592             |
| Unallocated revenue                                 |                     |                     |                     |                     |                     |                     |                     |                     | 84                  | 271                 |
| Total segment revenue                               |                     |                     |                     |                     |                     |                     |                     |                     | 176,124             | 120,863             |
| <b>RESULT</b>                                       |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Segment result                                      | 2,271               | 6,859               | 2,992               | 1,911               | 1,924               | 264                 | (62)                | -                   | 7,125               | 9,034               |
| Share of net profits of equity accounted associates | -                   | 473                 | -                   | -                   | -                   | -                   | -                   | -                   | -                   | 473                 |
| Income tax expense                                  |                     |                     |                     |                     |                     |                     |                     |                     | (1,816)             | (2,525)             |
| Profit after income tax expense                     |                     |                     |                     |                     |                     |                     |                     |                     | 5,309               | 6,982               |

**STRUCTURAL SYSTEMS LIMITED AND CONTROLLED ENTITIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

**CONSOLIDATED GROUP**

| <b>8 ISSUED CAPITAL</b>  | <b>31 Dec 08<br/>\$'000</b> | <b>30 Jun 08<br/>\$'000</b> |
|--|-----------------------------|-----------------------------|
| 49,141,824 (2008: 49,141,824) ordinary shares, fully paid                  | 29,219                      | 29,219                      |
| Movements during the period:   |                             |                             |
| Balance at beginning of period   | 29,219                      | 24,460                      |
| 0 (2008: 19,504) on convertible note options exercised                     | -                           | 9                           |
| 0 (2008: 675,000) on executive share options exercised                     | -                           | 444                         |
| 0 (2008: 2,009,434) as consideration on acquisition of controlled entities | -                           | 4,300                       |
| Other adjustments  |                             | 6                           |
| <b>Balance at end of period</b>  | <b>29,219</b>               | <b>29,219</b>               |

**STRUCTURAL SYSTEMS LIMITED ABN 57 006 413 574  
AND CONTROLLED ENTITIES**

**DIRECTORS' DECLARATION**

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The directors of the company declare that:

1. The financial statements and notes, as set out on pages 4 to 13:
  - a. comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations, and
  - b. give a true and fair view of the consolidated group's financial position as at 31 December 2008 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



**R.W. Freedman**  
Director



**D.R. Perry**  
Director

Dated: 25 February 2009

INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF STRUCTURAL SYSTEMS LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Structural Systems Limited and Controlled Entities (the consolidated entity) which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the consolidated entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of an Interim Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Structural Systems Limited and Controlled Entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Structural Systems Limited and Controlled Entities is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Anderson Roscoe

Anderson Roscoe  
Chartered Accountants

Robert F Cincotta

Robert F Cincotta  
Partner

Date: 25 February 2009

Partners:  
William G Anderson F.C.A., C.F.P.  
Andrew P Roscoe C.A.  
Andrew R Duncan C.A.  
Robert F Cincotta C.A.

Associates:  
Russell W Drysdale C.A.  
Tina Fiore-Scott C.A.

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**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 half-year ended 31 December 2008, there have been:

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

*Anderson Roscoe*

**Anderson Roscoe**  
**Chartered Accountants**

*Robert F Cincotta*

**Robert F Cincotta**  
Partner

Date: 25 February 2009

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