



**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

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)

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)

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**

		CONSOLIDATED GROUP	
	Note	31 Dec 08 \$'000	31 Dec 07 \$'000
Revenue	2(a)	176,124	120,863
Raw materials and consumables used for sale 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 using the equity method		-	473
		<hr/>	<hr/>
Profit before income tax expense		7,125	9,507
Income tax expense	3	(1,816)	(2,525)
		<hr/>	<hr/>
Profit after income tax expense		5,309	6,982
Profit attributable to minority equity interests		(20)	-
		<hr/>	<hr/>
Profit for the period attributable to members of the parent entity		5,289	6,982
		<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**

		CONSOLIDATED GROUP	
	Note	31 Dec 08 \$'000	30 Jun 08 \$'000
Current assets			
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
Total current assets		86,256	92,778
Non-current assets			
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
Total non-current assets		51,775	45,459
Total assets		138,031	138,237
Current liabilities			
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
Total current liabilities		74,351	81,200
Non-current liabilities			
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
Total non-current liabilities		9,765	8,827
Total liabilities		84,116	90,027
Net assets		53,915	48,210
Equity			
Issued capital	8	29,219	29,219
Share option equity		1,062	1,062
Reserves		4,180	652
Retained earnings		19,424	17,329
Parent entity interests		53,885	48,262
Minority equity interests		30	(52)
Total equity		53,915	48,210

The accompanying notes form part of these financial statements

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

	Share Capital Ordinary \$'000	Share Options Equity \$'000	Retained Earnings \$'000	Asset Revaluation Reserve \$'000	Capital Profits Reserve \$'000	Foreign Currency Translation Reserve \$'000	Minority Equity Interests \$'000	Total \$'000
CONSOLIDATED GROUP	Note							
Balance at 1 July 2007	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)
Sub-total	29,213	646	14,444	918	265	(402)	(62)	45,022
Dividends paid or provided for			(2,858)					(2,858)
Balance at 31 December 2007	29,213	646	11,586	918	265	(402)	(62)	42,164
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
Sub-total	29,219	1,062	19,786	918	265	(531)	(52)	50,667
Dividends paid or provided for			(2,457)					(2,457)
Balance at 30 June 2008	29,219	1,062	17,329	918	265	(531)	(52)	48,210

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)

	Note	Share Capital Ordinary \$'000	Share Options Equity \$'000	Retained Earnings \$'000	Asset Revaluation Reserve \$'000	Capital Profits Reserve \$'000	Foreign Currency Translation Reserve \$'000	Minority Equity Interests \$'000	Total \$'000
Balance at 1 July 2008		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
Sub-total		29,219	1,062	22,618	3,751	265	164	30	57,109
Dividends paid or provided for	4			(3,194)					(3,194)
Balance at 31 December 2008		29,219	1,062	19,424	3,751	265	164	30	53,915

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**

	CONSOLIDATED GROUP	
	31 Dec 08	31 Dec 07
	\$'000	\$'000
Cash flows from operating activities		
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)
Net cash provided by (used in) operating activities	(23)	2,781
Cash flows from investing activities		
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)
Net cash provided by (used in) investing activities	(1,549)	(8,552)
Cash flows from financing activities		
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)
Net cash provided by (used in) financing activities	(5,308)	1,590
Net increase (decrease) in cash held	(6,880)	(4,181)
Cash at beginning of period	2,572	7,126
Effect of exchange rates on cash holdings in foreign currencies	695	(37)
Cash at end of period	(3,613)	2,908

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:

	CONSOLIDATED GROUP	
	31 Dec 08	31 Dec 07
	\$'000	\$'000
(a) Revenue		
Operating activities		
- Sale of goods	4,525	3,874
- Rendering of services	171,019	116,622
- Interest received	81	271
- Other revenue	497	96
	176,122	120,863
Non-operating activities		
- Gain on disposal of property, plant & equipment	2	-
Total Revenue	176,124	120,863
(b) Expenses		
Amortisation and depreciation of:		
- Buildings	31	25
- Plant and equipment	3,379	2,731
- Leasehold improvements	3	3
	3,413	2,759
Loss on disposal of property, plant and equipment	10	16
3 INCOME TAX EXPENSE		
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)	-
	1,816	2,525

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

4 DIVIDENDS PAID OR PROPOSED	CONSOLIDATED GROUP	
	31 Dec 08	31 Dec 07
	\$'000	\$'000
Distributions Paid		
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
Distributions Declared		
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 \$'000	31 Dec 07 \$'000	31 Dec 08 \$'000	31 Dec 07 \$'000	31 Dec 08 \$'000	31 Dec 07 \$'000	31 Dec 08 \$'000	31 Dec 07 \$'000	31 Dec 08 \$'000	31 Dec 07 \$'000
REVENUE										
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
RESULT										
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

8 ISSUED CAPITAL	31 Dec 08 \$'000	30 Jun 08 \$'000
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
Balance at end of period	29,219	29,219

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

DIRECTORS' DECLARATION

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.

Anderson Roscoe
ABN 80 446 534 781

Level 2, 479 St Kilda Road
Melbourne Victoria 3004
Australia

PO Box 7366
St Kilda Road Victoria 8004

Telephone: 03 9867 1555
Facsimile: 03 9867 1550
Email: info@andersonroscoe.com.au
www.andersonroscoe.com.au

**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

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.

Anderson Roscoe
ABN 80 446 534 781

Level 2, 479 St Kilda Road
Melbourne Victoria 3004
Australia

PO Box 7366
St Kilda Road Victoria 8004

Telephone: 03 9867 1555
Facsimile: 03 9867 1550
Email: info@andersonroscoe.com.au
www.andersonroscoe.com.au