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MANAGING DIRECTOR'S ADDRESS

Good morning everyone and welcome to our 2013 Annual General Meeting.

Given that shareholders have been in receipt of the annual report now for some time I dont intend to go over the 2013 Financial Year result in a lot of detail but will point out the key highlights from last financial year and concentrate on the outlook for the current year. If shareholders have any questions would you mind waiting until after receipt of the financial statements and I will answer any queries you have then.

The result for 2013 was a NPAT of $3.22million. Whilst revenue was down modestly on the prior year the trading environment became substantially more difficult and available margins were under significant competitive pressure. Despite these conditions our balance sheet is in good shape with net debt at the year-end being $12.8million resulting in a gearing ratio under 17%. Cash flow from operating activities was a very strong $13.2 million for the year. It was these outcomes that gave the board the confidence to declare a higher dividend payout ratio for the year than we have done in prior years. The Board is committed to providing shareholders with as good a return as possible and while we are disappointed with the prevailing share price our balance sheet and cash flow management has allowed for a high proportion of our EPS to be returned to shareholders as dividends.

Shareholders will be aware of our most recent update to the ASX in relation to the Eastern Treatment Plant project. This project, which commenced in 2007 was undertaken by our discontinued formwork division. Our onsite involvement on the job finished in February 2012 and we understand the project recently achieved practical completion. The situation is openly acknowledged by the owner of the facility as a complex one and has required the co-operation of the parties involved to complete the project. The project is currently the subject of legal action between the three directly contracted parties and at this stage there is nothing more that we can add to our announcement of 18 November. Naturally, we will keep shareholders fully informed of any future developments.

As we have noted in our annual report, 2013 was a difficult year for not only Structural Systems but for most companies operating in the construction and mining services sectors. These conditions led to lower volumes and a lower margins but they also were an opportunity for us to undertake a review of the ongoing viability of some of our business operations. Shareholders will be aware that the outcome of this review resulted in the decision to divest our Melbourne based concrete supply and place business Meridian Concrete. The projects being completed by Meridian at the time of divestment are now substantially complete with the last of the works expected to be completed by the end of next week.

The divestment of Meridian leaves us with a Group that will have a strong focus on the civil and infrastructure markets as well as the resource sector.

ROCK had a very tough first six months of the 2013 financial year. The mining services market was in a state of high volatility with contracts being cancelled and scope of works being reduced as prices and demand for commodities fell. ROCK responded well to the change in conditions and set about restructuring its business to lower its cost base while still retaining the necessary capability to deliver the standard of service and safety it is known for in the industry. The outcome of these actions resulted in a strong second half performance in the 2013 financial year and this improved trading performance has continued into this financial year. ROCK has continued to firm up its order book with the renewal of 4 term drilling contracts. ROCK's order book at the end of October stood at $101M which is the highest balance since June 2012. While conditions in the drill and blast sector are still tough we have been able to maintain high levels of rig utilisation through a combined approach of term contracts and short term hire works. Our monitoring division within ROCK continues to expand its service offering which now includes an expanded range of real-time in-pit monitoring systems and an exclusive agency agreement for remote subsidence monitoring using radar earth observation satellites.

ROCK's reputation for delivering smart cost effective geotechnical solutions has seen demand for this core technical competency from offshore clients with project management services currently being provided to projects within Zambia and PNG. ROCK has also been successful in further developing opportunities for its MESHA(tm) product both locally and globally and has recently secured exclusivity for Concrete Canvas(tm), a unique product for water management and erosion control, for the Australian mining sector.

Our construction operations have also had a positive start to the year and combined work in hand for this division which includes our civil, remedial, manufacturing and post-tensioning operations at the end of October was $78million. By way of comparison after adjusting for the divestment of Meridian this is the highest WIH for our construction operations for a number of years.

While we have had a good start to the year tendering outcomes show that market conditions are still tough and there does not appear to be any significant game changer whereby these conditions will improve in the short to medium term. The specialist nature of our service offering does provide some differentiation to some of our competitors and our track record of delivering successful results to our clients is proving beneficial in terms of repeat work. This is particularly the case in our dam upgrade and maintenance division where Structural's reputation is very well known in the domestic and international markets. Currently we are completing emergency flood repair works at the Paradise Dam in QLD and this is the largest individual contract our dam division has undertaken to date.

Our post-tensioning operations are currently very busy in New South Wales and Queensland. Tendering in Western Australia is strong and while this State has been quiet for sometime if the expected projects eventuate there will be solid opportunities later in the financial year.

Our remedial division has expanded into Northern Territory and we also recently secured our first remedial project in Perth for some time.

Subject to no unforeseen circumstances we are expecting a NPBT for the six months ending 31 December 2013 to be in the range of $3.4 to $3.9million which compares to $2.5million for the same period last year. This forecast makes no allowance for any positive or negative settlement of the Eastern Treatment project but does allow $950K in losses attributable to Meridian.

I would like to thank shareholders for their continued support of the company and all the employees within the Group for their efforts and commitment.

Thank you