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**For Immediate Release**

26<sup>th</sup> October 2010

General Manager  
The Company Announcements Office  
Australian Stock Exchange Limited  
PO Box H224  
Australia Square  
Sydney NSW 1215

Dear Sir/Madam,

**Chairman's and Managing Director's Addresses**  
**to the Annual General Meeting**

Please find attached the addresses given to the Annual General Meeting to be held today, together with the Powerpoint presentation made during the meeting.

For further information, please contact: -

Graham Seppelt 0419 035 297

On behalf of the Board

A handwritten signature in black ink, appearing to read 'Graham Seppelt', written in a cursive style.

Graham Seppelt

Secretary



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## **Chairman's Address to the Annual General Meeting**

Good morning ladies and gentlemen, I am Ross Johnston, the Chairman of BSA Limited. It gives me great pleasure to be here today, and as we have a quorum, I will declare the meeting open.

With me today are your directors, Mr. Paul Teisseire, Mr. Michael Givoni, Mr. Max Cowley, Mr. Mark Lowe, and Mark Foley, BSA's Managing Director.

Our CFO Mr. Karl Nixon is also with us, as is Graham Seppelt, the company secretary.

Glen Sanford as audit partner and Neill Ackerman as audit manager from the company's auditors, Deloitte Touche Tohmatsu, are also in attendance.

On behalf of BSA I am pleased to report on our activities and results in what has been a turbulent operating environment.

Our managing director Mark Foley will provide a detailed review of our results, the key highlights are as follow;

- Revenue increased by 37% to \$330.9 million
- Net profit after tax increased by 17% to \$9.1 million
- Underlying EBITDA of \$15.0 million
- Basic earnings per share of 4.48 cents
- Operating cash flow \$8.7 million with net Debt of \$10.7m
- Final Dividend 1c per share

Building on these results we have increased our capability in the areas of management and business development with us having recently secured our first contracts in both the building services and contract solutions businesses, our results and these outcomes are in line with our 2008 augmentation strategy.



Our continued focus on occupational health and safety has seen an improved performance this year.

The generation of cash remains a priority for BSA, we will continue this focus into the 2011 financial year. Our balance sheet will continue to strengthen providing further growth opportunities for the group.

The purchase of AllStaff has and will provide significant increases in our revenue in both the 2010 and 2011 financial years. This acquisition completes our national footprint in the mechanical service market, and has further enhanced our capacity to bid and secure large contracts.

We finished the 2010 financial year with a strong forward order book, strong balance sheet, strengthened customer relationships and are well placed for the future.

As previously announced Mark Foley our Managing Director has tendered his resignation and today is his last day with BSA in the role of Chief Executive Officer/Managing Director.

On behalf of the board I would like to thank Mark for his ten years of commitment and substantial contribution to BSA. In the transition phase to the new CEO, Mark will be continuing in a part time role and will undertake project work for the company.

I am also pleased to advise the appointment of Mr Stephen Nash as our new Chief Executive officer and Managing Director.

Stephen Nash's appointment is the outcome of a comprehensive search process. His previous roles over the last ten years have included Chief Executive Officer and Operating Officers and General Management. These have been in the building services and facilities management industries. He has a strong background in business development, information systems and risk management.

These roles have equipped him well to take BSA to the next level of its development.

We look forward to welcoming Stephen Nash to BSA.



In closing I would like to thank my fellow directors for their contribution during the year.

In a difficult year, our staff and executive team have shown their continued commitment to our customers and shareholders, on behalf of the board, thank you.

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## **Managing Director's Address to the Annual General Meeting**

Ladies and Gentlemen,

BSA commenced the financial year with the objective to achieve strong revenue growth. The group has achieved this, generating over \$330 million in 2010, compared to \$240m in 2009, this represents over 37% growth. In the 2011 year, we expect to see further growth of 20%; taking us to circa \$400million. 90% of this revenue is underpinned by existing contracts.

This revenue figure resulted in a net profit after tax for the year of \$9.1million.

The group's financial results for the year were in line with expectations. Along with increased revenue and net profit, the group has achieved

- Underlying EBITDA of \$15.0 million
- Basic earnings per share of 4.48 cents
- Operating cash flow \$8.7 million
- Including the Allstaff acquisition, net debt remained relatively low at \$10.7million

As the Augumentation strategy gains tractions, these strong financial results have placed the group in good stead, to pursue future growth, organically, by taking on new contracts, and through acquisitions.

The group has actively moved to diversify it's income streams, this graph shows the split in revenue between the Building Services Division and the Contracting Solutions Division.



We will see further diversification and growth in the Building Services Division for the 2010/2011 year.

Overall, we expect to see a balanced split in revenue between the two divisions – with Building Services achieving growth through new contracts and the Allstaff Acquisition. BSA has reduced risk, and is no longer reliant on a few major customers, Contracting Solutions will see further growth coming from new wireless technologies and NBN Rollout.

The Building Services division had a strong year, generating actual revenue of \$176million, with Actual Earnings before Interest, tax, depreciation and amortization (excluding corporate allocations) was \$9.3million.

These figures include a six month contribution from the Allstaff Group, which was acquired on 10<sup>th</sup> December 2009. The partnership between The Allstaff Group and Triple M strengthens both companies, positioning them as leaders in their field and providing access to a number of considerable opportunities.

The Building Services Division has also recently announced that it has been awarded the contract for the provision of HVAC Services for Buildings B and Y at the \$2 billion Fiona Stanley Hospital (FSH) project at Murdoch in WA. This result is particularly noteworthy, as this is the largest HVAC contract to have been awarded in Australia. This win also brings the division's combined order book to \$310million

The Contracting Solutions Division generated revenue of \$155million, with an EBITDA of \$11.3million.

Solid margins have been achieved due to efficiency improvements on key projects, which has been driven by investment in enabling technologies.

The Division continues to enjoy strong work flows across our FOXTEL, Telstra and Optus platforms. Moving forward, our focus will remain in continuing to deliver a superior level of service to these major customers.

The FOXTEL Partnership is in it's 12<sup>th</sup> year, and has returned a 5% growth in revenue year on year. The division has also been awarded the



Sky Racing Project, which has involved the roll out of around 3000 SKY2 installations at SKY racing venues, generating over \$3million in revenue.

The SILCAR project continues to achieve sound results and has been extended until June 2012. This contract extension has an additional benefit of providing BSA with excellent visibility with Telstra, which may assist the division in securing future opportunities.

The new OPTUS DSL contract is performing well, growing from 950 tickets of work per month and 44 technicians in 2008 to well over 1800 orders per month and 90 technicians in 2010.

The division has been actively involved in the first stage of the NBN rollout in Tasmania, and is well placed to secure further works in relation to this national project

2011 has commenced with a strong financial position and clear direction for the coming year.

Our objective for 2011 is to continue to achieve strong revenue growth.

Our Senior Management team is working to build the pipeline of opportunities. We have invested \$1.4m in 2010 to build organic growth prospects and placed a substantial investment in the Business Development Team.

The Business Development Team has approximately \$120million in tenders submitted and under consideration. The Group has strong prospects of achieving success in many of these.

The Group's strong financial position as outlined previously, places us in good stead to act on any acquisition opportunities which present themselves, and meet key criteria.

BSA will continue to drive growth in line with the augmentation strategy outlined by Ross. Both the Contracting Solutions and Building Services Divisions are continuing to focus on target organic growth markets. Specifically;

Contracting Solutions is:



- Continuing to focus on delivering a superior service to its existing blue chip customer base, securing revenue into the future
- Taking advantage of multiple ongoing opportunities within the National Broadband Network rollout; the National implementation of Digital Antennae and Satellite Services throughout Australia; and Multiple wireless opportunities.

Building Services is:

- Continuing to focus on the Healthcare sector and make a strong push into the Facilities Services Sector
- Working towards developing a national service offering and bidding capability

BSA is in great shape. Not only in terms of our solid financial position and balance sheet, but in terms of the team in place to move the company forward.

The group has a capable and experienced management team, most of which have been with the company for many years.

I have every confidence that our new CEO will take advantage of this strong position and that BSA will continue to grow successfully.

Lastly, I would like to thank my fellow Directors for their support and assistance during my time with BSA. I have enjoyed working with each of you.

It has been my honor to serve as Managing Director of BSA for over nine years, and I look forward to watching the Group continue to grow and succeed in the future.

I wish my successor all the best as he takes the helm of this dynamic company, and have every confidence that he, along with the management team at BSA, will continue to provide shareholders with great results.