



23rd February 2011
For Immediate Release

BSA delivers half year NPAT of \$4.3million

- **Revenue up 39% to \$190 million**
- **Net profit after tax up 71% to \$4.3 million**
- **EBITDA of \$8.8 million**
- **Operating Cash Flow of \$2.5 million**
- **Basic earnings per share of 2.0 cents per share**
- **Interim half fully franked dividend of 1.0 cent per share**
- **Augmentation Strategy progressing**

Sydney: 23rd February 2011: Building and communication services company BSA Limited (ASX: BSA) today reported net profit after tax for the half year ended 31 December 2010 of \$4.3 million (2009: \$2.5 million) Earnings per share were 2.03 cents. Earnings before interest, tax depreciation and amortisation (EBITDA) were \$8.8 million (2009: \$5.7 million - after acquisition and integration costs totaling \$0.5million).

Operating cashflow was comparable to the previous corresponding period at \$2.5 million and this has enabled BSA to maintain net debt at \$12.6m, giving the company a net debt: to net debt plus equity ratio of 15.2%

The Directors have declared an interim dividend of 1.0 cent per share fully franked, payable on 15 April 2011 to shareholders on the register at 11 March 2011. The BSA Dividend Reinvestment Plan option for shareholders continues.

The augmentation strategy continues with the acquisition on 20th January 2011 of the business and assets of MEC Services, for a total consideration of \$1million. MEC Services is a Darwin based HVAC business that provides design and installation of mechanical services, chilled water lagging and cladding, decontamination of air-conditioning, ducting installation, sheet metal fabrication, specialized gas installations and cool room and freezer installations.

Traction is being gained in converting new business opportunities after a solid first half earnings and cash flow performance.

Building Services

The Building Services Division, (comprising The Triple 'M' and Allstaff Group) experienced a strong first half, with the first full half of ownership of Allstaff and improved earnings from Triple 'M'.

The Building Services Division continued its focus in the Healthcare and Medical Research sectors and expansion into Western Australian markets with further contract wins in these target markets.

Investment continues to be made in Building Information Modelling resources to ensure the division is considered a leader in this emerging technology in the HVAC and Fire Services Sectors. This leadership position continues to pay dividends with the division being awarded several major sought after contracts during the half.

The Building Services Division is working towards the implementation of a 'best of industry' maintenance management system, which will separate the Division from its peers in annuity style service contracts, which is a target growth area for the group.

Notable events during the half were:

- Triple 'M' was awarded by Brookfield Multiplex the \$130 million contract for the provision of HVAC services for Buildings B and Y at the Fiona Stanley Hospital (FSH) project at Murdoch in WA.
- The division has now successfully deployed the implementation of the accounting software program, Pronto, across all major areas.

The Building Services division has an order book in excess of \$260m at December 2010 compared to \$180m at end of June 2010.

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Contracting Solutions

The Contracting Solutions Division, comprising the telecommunications, subscription and free to air television business units experienced a weaker first half compared to 2010 as a result of lower FOXTEL volumes and mobilisation costs associated with the Division's participation in the first two NBN field trials in Tasmania and the South Coast of NSW.

Notable events during the half were:

- The FOXTEL contract continues to provide strong volumes, albeit lower than the corresponding period last year. As a result the business is adapting to these changes by reviewing its cost base to mitigate the effect of volume reductions.
- During the half year the Division relocated the back of house operations of the Home Services Division from Melbourne to the Contracting Solutions National Call Centre operation at Sydney Olympic Park. The co-location of support functions is delivering improved customer and field service performance and positions the division well for further profitable growth.
- The division has been involved in the first stages of the NBN Rollout in Tasmania and South Coast of NSW providing valuable insight and learning into the NBN roll-out requirements. The experiences in these first phases position the company well to manage risk associated with this opportunity in the future.

Future Developments, Prospects and Business Strategies

After a solid first half, 2011 is shaping up to be a further year of consistent earnings performance. The balance sheet is strong, the company has good cash flow, a supportive customer base and a committed team to take BSA to the next stage in its growth. Key focus for the second half includes:

- The Building Services Division enters the second half with a strong order book and a number of strong prospects in large-scale infrastructure projects, which will provide earnings visibility into 2012.
- The Contracting Solutions division enjoys strong work flows across our FOXTEL, Telstra and Optus platforms. Moving forward our focus remains in continuing to deliver a superior service to these major customers.
- The Contracting Solutions division's Registered Training Organisation Trainee Program continues to perform well, providing a flexible workforce through to our FOXTEL, Telstra and Optus platforms and returning solid revenue.
- The Business Development team continues to focus on organic growth opportunities in those market segments aligned with BSA's core competencies.
- Notwithstanding, margin pressures could emerge from increasing staff and contractor costs (particularly as a consequence of NBN demand on scarce resource) the company is rightsizing overheads on the back of a shared back office and replicable scalable IT platforms.

"Since joining BSA in early January I have been impressed by the strength and depth of the management team, the skill set of some high calibre staff, the excellent customer relationships and opportunities for growth" Mr. Nash said.

-ENDS-

For and on behalf of the Board of Directors

Ross Johnston - Chairman

Further information:

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