



BSA Limited
and subsidiary companies

2011

➔ ANNUAL GENERAL MEETING



Ross Johnson
Chairman

CHAIRMAN'S ADDRESS

CREATION OF SHAREHOLDER VALUE IS A PRIORITY

The growth of BSA share price and strong shareholder returns are business imperatives.

On behalf of BSA, I am pleased to report on our activities and results, in what has been a year of substantial change, achievement of significant milestones and delivery of satisfactory results. Stephen Nash our MD/CEO of ten months and the executive team have achieved these outcomes in a difficult market environment.

Notwithstanding some of our peers under performance in the Building Services market, your Company has performed well by securing forward work and effective contract execution. Maintaining this focus is critical to us achieving our future objectives.

Our Contracting Solutions Business Unit has renewed the Foxtel contract (outside of the reporting period) for a period of four years (plus 1 year option). This is a significant achievement by the Contracting Solutions team. Our continued focus on occupational health, safety and environment has seen an improved performance this year, with a more robust forward plan.

2011 – KEY FINANCIAL RESULTS

- Revenue increased by 22% to \$403 million
- EBITDA increased by 16% to \$16.3 million
- Net profit after tax \$8.6 million
- Basic earnings per share of 4.02 cents
- Operating cash flow \$28.4 million with closing net cash position of \$8.7 million
- Final dividend 1c per share
- Special dividend of 1c per share

Our Managing Director Stephen Nash will provide a detailed review of our results, the key highlights are as follows:

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- Special dividend of 1c per share.

2011 IN REVIEW

- FY 11 has been a year of substantial change
- Steve Nash has been CEO for 10 months
- Renewal of FOXTEL contract by Contracting Solutions Business Unit
- Continued focus on OHSE improvements
- Completion of the integration of Allstaff Group
- The acquisition of MEC Services during the year
- The acquisition of Burke Air (after the reporting period)
- Record Building Services forward workload of \$240 million

Additionally we have achieved the following:

- Completion of the integration of Allstaff Group
- The acquisition of MEC Services during the year
- The acquisition of Burke Air (after the reporting period)
- Record Building Services forward workload of \$240 million

The generation of cash remains a priority for BSA; our results for the year reflect this focus, providing us with the resources to pursue growth opportunities.

Over the last three years we have managed the business in line with our Augmentation Strategy. Progress this year has seen us expand our geographic footprint, services offering, contract execution and business development capability, integration skills and demonstrated capacity to manage risk. Our revenues have grown by \$160 million or 65% throughout the Augmentation Strategy period. Our operating cash flow has improved from \$13.5 million in 2008 to \$28.4 million in 2011 and we have increased our dividend to shareholders in a market that has been depressed for the period.

The Board has declared a special dividend of 1c on the strength of our cash position. We are updating our group strategy to reflect a revised plan for the next three years. This plan is focused on maintaining growth, cash generation, growth of our people, shareholder returns and ultimately growth in our share price. The plan is for the period FY12-14.

We finished the 2011 financial year with a strong forward order book, balance sheet, strengthened customer relationships and are well placed for the future.

I would like to thank my fellow Directors for their contribution to BSA and support during the year.

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



Stephen Nash
Managing Director

→ MANAGING DIRECTOR'S ADDRESS



Sound Financial Performance

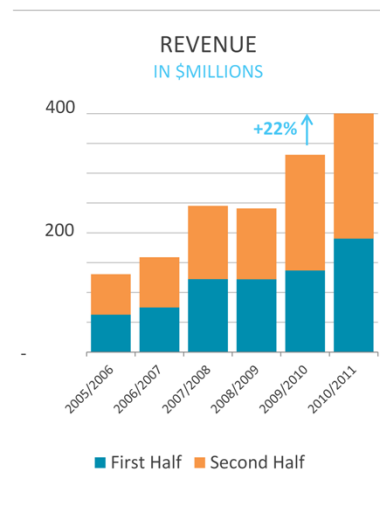
- Revenue up 22% to \$403 million
- EBITDA up 16% to \$16.3 million
- NPAT down 6.2% to \$8.6 million
- Earnings per share of 4.02 cents
- 1c final dividend and 1c special dividend (total 2c) DRP remains at no discount

Strong Balance Sheet

- Operating cash flow \$28.4 million with Net Cash of \$8.7 million at 30 June 2011

Healthy Forward Revenue

- Strong Building Services order book (now \$240 million)
- FOXTEL contract renewed (4 year + 1 year option)



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As we have previously provided detailed explanation of our financial performance for FY11 through our investor updates and annual report I propose to only review the financial highlights and key strategic initiatives and respond to questions as you wish to direct to me.

A full year contribution from Allstaff Air-conditioning and a continuing strong order book for Building Services were the main reasons for the sound revenue growth and we expect that to continue into FY12 with previous guidance given of high \$400's m for this year.

Although FOXTEL work volume declined compared to the previous year this also acted as a catalyst for BSA to build a more flexible service delivery model thereby reducing ongoing operational costs and this will provide benefit into FY12 and beyond.

Our strong cash position was due to an improved EBITDA contribution and the effective management of working capital and this allowed BSA to repay \$5m of debt earlier than planned and the directors to declare a special dividend of 1.0c in addition to the final dividend of 1.0c. The Burke Air acquisition that occurred on 1/08 was also paid from the company's cash reserves.

The momentum created throughout FY11 to lift BSA's performance continues into FY12.



MANAGING DIRECTOR'S ADDRESS



STRATEGIC INITIATIVES UNDERTAKEN

- ➔ Relocation National Call Centre and Corporate Office with upgraded redundancy capability
- ➔ Strengthened Leadership Group
- ➔ National HSE Program commenced
- ➔ Cost management and business improvement programs initiated
- ➔ Brand Architecture Program launched
- ➔ MEC (NT) acquisition integrated
- ➔ Burke Air - WA (acquired 1st August 2011 & fully integrated into Pronto ERP 30/09/11)
- ➔ Strategic Plan Updated with BSA to accelerate growth and diversify its portfolios

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Whilst FY11 was a year of sound growth it was pleasing to see many strategic initiatives completed to ensure BSA is a stronger business in the coming years.

Our new Corporate Headquarters and National Operations Centre for Contracting Solutions is a great facility for our staff & our customers and since taking occupancy last year we have upgraded the facilities to ensure redundant power & communications with a failover call centre now established at our Silverwater premises.

BSA has strengthened its leadership team with several new appointments whilst reducing overall costs but more importantly we now have the capability to effectively manage a much larger company.

HSE performance has improved and moving towards best practice is an imperative within the business and strongly supported by your Board.

We have engaged the assistance a specialist organisation to ensure BSA and its subsidiary brands present a cohesive image to our staff customers and our shareholders. The cost of this program will be funded out of a number of cost saving initiatives that will occur throughout FY12 and beyond.

The acquisitions of MEC Services and Burke Air further expanded BSA's national footprint and increased BSA's Technical Maintenance Services business which due to its annuity based contracts, that extend for multiple years, is critical for our future growth.

Finally your Board has been very involved and supportive of BSA's updated Strategic Plan that will be providing the guidance for the next few years and I extend my appreciation to the Board for its guidance.



MANAGING DIRECTOR'S ADDRESS



THE YEAR AHEAD

- ➔ Implement national OHSE program
- ➔ Maintain focus on cash management
- ➔ Meet business plan obligations
- ➔ Extend the depth of organic and acquisitive pipelines
- ➔ Strengthen compliance and corporate governance programs
- ➔ Progress Brand Architecture Program
- ➔ Initiate Investor Relations Program (FY12/13)
- ➔ Continue to invest in BSA people
- ➔ Complete fleet and assets upgrade

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With the assistance of the National Safety Council of Australia we have developed a broad framework of OHSE improvements that will be incorporated into BSA's Standard Operating Procedures as we strive for best practice in this critical discipline.

Collection of outstanding debtors and speedy lodgement of claims will continue to ensure we optimise our cash balances.

BSA has developed a simple template we call our One Page Plans, whereby our operational issues are assigned across many staff to ensure we meet our obligations, and that includes developing stronger organic and acquisitive pipelines, and whilst acquisitions are important to BSA, so too is doing so in a disciplined manner to ensure we pay a fair price for a growing and low risk business.

As we expand our business unit portfolios, it is critical we maximise the leverage we can gain from the brands within BSA, so I am particularly looking forward to the rollout of Brand Architecture program which will start in FY12 and be fully deployed into FY13.

As BSA is meeting plan expectations, and we are achieving our strategic goals it is now appropriate to commit to a formal investor relations program and this will occur throughout FY12/13 and beyond.

BSA directors have been very supportive of continued investment in both our people and business assets to ensure we continue to meet the needs of our customers and we look forward our customers support in the years ahead.

In closing I would like to thank your Board for the support shown to me during the past year.