



ANNUAL GENERAL MEETING

BSA Limited and subsidiary companies



Chairman's Address

Ross Johnson
Chairman

BSA Limited: 2012 Annual General Meeting

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On behalf of BSA Limited, I am pleased to report on our performance in what has been a challenging year for the industry, but during which we delivered satisfactory results.

Your Company has sustained momentum despite the collapse of the Hastie Group in our largest market. BSA has demonstrated that it is a disciplined Company with a focus on profitable growth and maintenance of a strong balance sheet.

FY 2012 – KEY FINANCIAL HIGHLIGHTS

FINANCIAL PERFORMANCE

- Revenue up 22% to \$492million
- EBITDA up 1% to \$16.5 million
- NPBT up 1.5% to \$8.2million
- NPAT down 32% to \$5.8 million (Reduced Research & Development tax deduction and Rights To Future Income reversal)
- Earnings per share of 2.57 cents

FINAL DIVIDEND

- 1c per share – paid 4th October 2012
- Interim Dividend 1c per share – paid April 2012

STRONG BALANCE SHEET

- Operating cash flow \$23.9million with Net Cash of \$9.5m at 30 June 2012

Ladies and gentlemen our Managing Director/CEO Steve Nash will provide further commentary on our results and insight into the year ahead, the key FY12 results highlights are as follows:

- Revenue increased by 22% to \$492 million.
- EBITDA increased by 1% to \$16.5 million.
- Net profit before tax increased by 1.5% to \$8.2 million.
- Net profit after tax down 32% to \$5.8 million (The reduction in earnings was due to a reduced Research & Development tax deduction and the reversal of Rights to Future Income Deductions previously allowed. This was enacted through legislation passed by Parliament and retrospectively applied)
- Earnings per share of 2.57 cents.
- Final dividend 1c per share, fully franked, paid 4th October 2012
- Interim Dividend 1c per share – paid April 2012
- Operating cash flow \$23.9million with Net Cash of \$9.5m at 30 June 2012

FY 2012 – IN REVIEW

- Continued Group wide focus on Health, Safety, Security, Environment & Quality improvements
- Challenging 2011-2012 for Technical Design & Construction Projects with lower industry volumes and the collapse of a major competitor creating market uncertainty.
- Technical Field Force Solutions Partnership with FOXTEL extended post FOXTEL Acquisition of Austar and continued investment in industry leading in-field technology
- Technical Maintenance Services business unit formed from the maintenance departments of Triple "M", Allstaff and BurkeAir to focus on the provision of HVAC and Fire maintenance services
- Post FY12 BSA has entered into a new two-year \$70 million bank facility with its long term financiers, National Australia Bank Limited
- In the coming twelve months BSA will continue to focus on:
 - Achieving satisfactory project risk and returns
 - Maintenance of cash flow and balance sheet
 - Making prudent decisions in what will continue to be a difficult trading environment in the year ahead

Additionally we have achieved the following:

- Continued Group wide focus on Health, Safety, Security, Environment & Quality improvements as we strive for best practice which we expect within 2 years
- 2011-2012 was very challenging for Technical Design & Construction Projects with lower industry volumes and the collapse of the Hastie Group creating market uncertainty exacerbated by a continuing deterioration in construction work. Despite market difficulties, I am pleased to report that your Company is now the largest provider of HVAC design and construction services in Australia. Therefore we have continued investment in 2012-13, with the co-location of the Technical Design & Constructions Projects NSW operations of Allstaff and Triple M, to create a centre of excellence for design, engineering and project management.
- Technical Field Force Solutions partnership with FOXTEL extended post FOXTEL's acquisition of Austar and we have continued investment in industry leading in-field technology
- Technical Maintenance Services business unit was formed from the maintenance departments of Triple M, Allstaff and Burke Air to focus on the provision of HVAC and Fire maintenance services. Burke Air was acquired 1st August 2011 and through a rapid integration program is now fully integrated with BSA's Enterprise Resources Planning system, Pronto.

- Recently, BSA entered into a new two-year \$70 million bank facility with its long term financiers, National Australia Bank Limited that includes a two year \$18 million amortising bill facility, a \$16 million revolving debtor finance facility, a \$25 million bank guarantee facility and \$10 million equipment finance facility. The overall package represents a \$15 million increase on BSA's existing bank facilities, which were due to mature in July 2013. Under the new facility, the Company undertakes to maintain a dividend cash pay out ratio of no more than 50% of Net Profit for the financial year ended 30th June 2013 and beyond. This is consistent with the Board's position that the pay out ratio is between 40-50% with dividends remaining fully franked.
- In the coming twelve months BSA will continue to focus on:
 - achieving satisfactory project risk and returns
 - maintenance of cash flow and balance sheet
 - making prudent decisions in what will continue to be a difficult trading environment in the year ahead
- FY12 was a demanding year for our staff and Executive Team, and again they have shown continued commitment to our customers and shareholders and on behalf of the Board, thank you. I would also like to thank my fellow directors for their efforts throughout 2012.
- Lastly, I would like to thank all of our shareholders for their on-going support of BSA Limited.

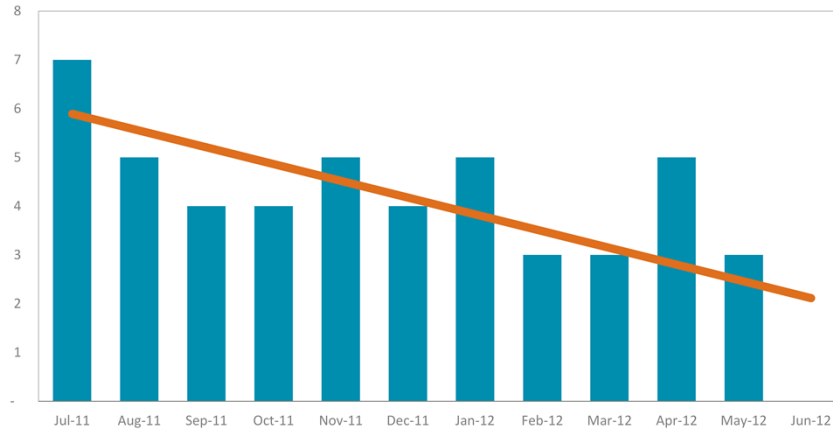


Steve Nash
Managing Director

Managing Director's Address

HEALTH & SAFETY

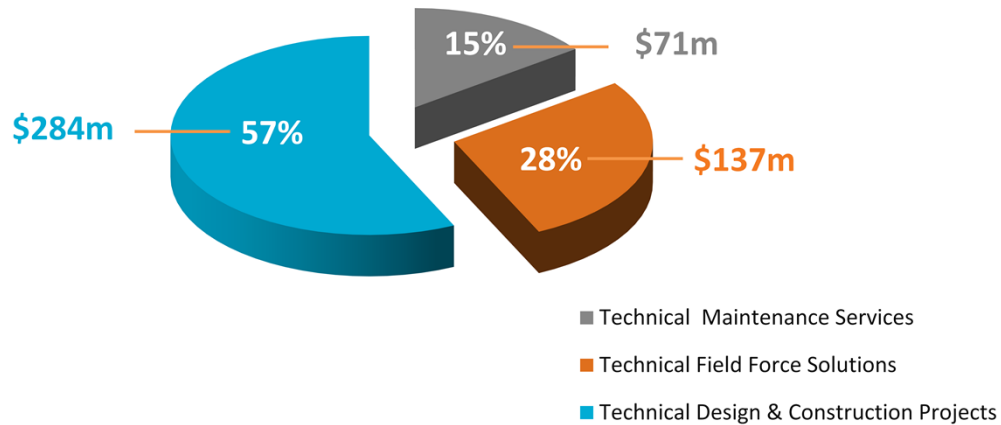
BSA Group FY12 - Monthly Lost Time Incident Trend



The safety and wellbeing of our staff and contractors is one of BSA's key priorities and I am pleased to report that throughout FY12 we reduced Lost Time Incidents month on month resulting in nil incidents in June. A key measure of safety performance is our lost time injury frequency rate which is now below 8 incidents per million worked hours and by maintaining current momentum we will meet our target of <5 incidents per million worked hours by June 2013.

Our aspiration is to reach best practice which is <1 incident per million worked hours in the coming years and this is key to ensuring BSA retains skilled staff and maintains our strong relationships with our customers

GROUP REVENUE GRAPHICAL ANALYSIS



My intention is not to provide detailed analysis of FY12 results as annual reports and investor updates are available for any member who has not so far reviewed that information.

Our strategic plan identified portfolio diversification into more annuity based contracts as a business imperative and this is what we have achieved through the creation of Technical Maintenance Services. Your Chairman advised, BSA Group revenue was \$492 million, a growth of 22% from FY11 and I think it appropriate that our shareholders understand the revenue contribution of our three business units.

Our largest business unit, Technical Design and Construction Projects represents 57% of BSA revenue and was underpinned by strong organic growth with revenue of \$284 million, an increase of 22% over the previous financial year.

Whilst Technical Field Force Solutions revenue was steady at \$137 million compared with the previous 12 months, the margin improved from FY11 and that was of course welcome.

The newest Business Unit, Technical Maintenance Services delivered a credible \$71 million in its foundation year, which was an increase of \$40 million, largely due to the acquisition of Burke Air.

THE YEAR AHEAD

Technical Design and Construction Projects

- We started FY13 with a strong forward order book of \$208m and we are optimistic that this will increase substantially in the coming weeks as we conclude commercially confidential negotiations for a new major contract so therefore BSA is better positioned than many other organisations

Technical Field Force Solutions

- BSA is well positioned to capitalise on the renewed FOXTEL contract

Technical Design and Construction Projects

The outlook for the non residential construction market is very subdued having now experienced over 24 months of declining volume and it seems like that this will continue in the medium term. Despite the challenging market conditions we started FY13 with a strong forward order book of \$208 million and we are optimistic that this will increase substantially in the coming weeks as we conclude commercially confidential negotiations for a new major contract which will provide greater comfort in an uncertain market.

Technical Field Force Solutions

BSA is well positioned to capitalise on the renewed FOXTEL contract and has secured additional works with the Federal Government for the Household Assistance Scheme as our Country positions itself to convert to digital TV transmission

THE YEAR AHEAD

Technical Maintenance Services

- BSA expects to grow earnings as Technical Maintenance Services consolidates its position in a market that offers good growth opportunities

Outlook

- Earnings and cash flow will be biased to the second half as a result of project timing for both Technical Design and Construction & Technical Maintenance Services
- Full year revenues of circa \$475 million
- Incorporate the new debt facility, with revised covenant obligations and cost regime, into the business. This facility will provide additional capacity to support BSA's needs for the coming 2 years

Technical Maintenance Services

Now fully established and performing well. We have invested in new facilities, upgraded our fleet and invested in tablet based technology for our technicians. BSA expects to grow earnings as TMS consolidates its position in a market that offers good growth opportunities where our competitive advantages are a national footprint and BSA's best is class field mobility solution combined with the Pronto ERP.

FY13 Outlook

Earnings and cash flow will be biased to the second half as a result of project timing for both Technical Design & Construction & Technical Maintenance Services.

We expect full year revenues of circa \$475 million with a tax rate in line with normal company tax due to changes to eligibility rules associated with Research & Development concessions that we have enjoyed in previous years and changes to Rights to Future Income arising out of acquisitions that was recently passed through Parliament with retrospective application.

We need to incorporate the new debt facility, with revised covenant obligations and cost regime, into the business. This facility will provide additional capacity to support BSA's needs for the coming 2 years

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