15th February 2013 **FOR IMMEDIATE RELEASE**

General Manager
ASX Market Announcements
Australian Securities Exchange Limited
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**BSA delivers first half performance in line with guidance**

- Revenue down 11% to $234m, EBITDA down 34% to $7.2m
- Strong second half forecast with full year revenue and profit guidance in line with FY12
- Technical Design and Construction Projects (TDCP) business unit – record contracts in hand of $306m including recent $93m award of New Royal Adelaide Hospital project
- Technical Maintenance Services (TMS) business unit – 49% revenue growth
- Technical Field Force Solutions (TFFS) business unit – award of 100% of Foxtel Regional Contract (Austar) and two year contract extension for metropolitan services
- Basic earnings per share of 0.8 cents per share
- Interim fully franked dividend of 0.5 cents per share

**Sydney: 15 February 2013:** Building and communications service company BSA Limited (ASX:BSA) today reported net profit after tax for the half year ended 31st December 2012 of $1.8 million (pcp: $6.0 million) and earnings per share of 0.8 cents. Earnings before interest, tax, depreciation and amortisation (EBITDA) was $7.2 million (pcp: $11.0 million)

In line with previous guidance, revenue and earnings are biased to the second half as a result of project timing for both TDCP and TMS business units.

BSA has record contracts in hand of $306m in the TDCP business unit and is seeing rapid growth in the higher margin TMS business unit. The TFFS business unit saw lower revenue in the first half but was awarded a new contract by Foxtel on 17 December extending its services to cover those regions formerly controlled by Austar.

Full year revenue is trending towards $500m with net profit after tax (NPAT) for the full year FY2013 expected to be broadly in line with FY2012 at $5.8million with the first half contribution reflecting 30% of full year NPAT. Profit was impacted by a rise in the effective tax rate, from 11% to 26%, as a result of the changes to the eligibility rules associated with Research & Development concession arrangements.

Operating cash out-flow totalled ($20.8) million (pcp: $13.4 million in-flow) and was impacted by increases in working capital with a larger number of construction projects at the beginning and end of their cycles – and by a tax charge (due to the changes in R&D and the reversal of the Government's position relating to Rights to Future Income), resulting in a tax payment of $4.5m. As a consequence, the Company finished the half with net debt of $20.3million compared to net cash of $10 million at 30th June 2012. We expect this position to improve during the second half as newer construction projects mature and end of life projects conclude.

Directors have declared an interim first half dividend of 0.5 cents per share fully franked with the BSA Dividend Reinvestment Plan option for shareholders remaining suspended at this time. The results of the full year are expected to be materially higher than the first half – and the Directors will consider the full year results in setting the final dividend.

**Technical Design and Construction Projects (TDCP)**

TDCP had lower first half with revenue of $128m and EBITDA of $3.1m compared with revenue of $161m and EBITDA of $7.4m for the prior corresponding period primarily as a result of the timing of project income.

Income from key projects in the Healthcare and University sectors include Fiona Stanley Hospital, Monash University New Horizons, CSL Biotherapies Privigen Facility, Griffith University G40 Building, Gold Coast Campus, Olivia Newton John Cancer Wellness Centre and the Gold Coast University Hospital Clinical Services Building.

The full integration of Allstaff into BSA was completed during H1, and TDCP now operates on uniform accounting and operating systems. The synergies of this integration have now been realised, with financial, accounting and payroll services centralised in BSA's head office at Sydney Olympic Park.

Upon the expiry of existing leases within Sydney for both Triple 'M' NSW and Allstaff NSW, both companies were co-located at Sydney Olympic Park. Although the two businesses continue to operate as separate entities, this co-location has nevertheless achieved significant synergies.

Following the collapse of the Hastie Group during FY2012, BSA was able to secure the completion of a number of projects that had already been awarded to Hastie, in part because of the ability of Triple 'M' and Allstaff to harness resources at short notice to complete the projects on program. These projects include Shellharbour Shopping Centre, Ryde Rehabilitation Centre and the 800-bed New Royal Adelaide Hospital - which will be Australia's most advanced hospital, and the single largest infrastructure project in South Australian history.

During the first half, $210m in major projects were either secured, or have received letters of intent subject to final contract execution, this includes the recent signing of the $93 million contract for the New Royal Adelaide Hospital Project, contracted work in hand for BSA's TDCP business unit is now the highest in the Company's history at $306 million.

**Technical Maintenance Services (TMS)**

The TMS business unit had a strong first half with revenue of $44m compared with revenue of $30m for the prior corresponding period. Significant growth was achieved in BurkeAir west coast operations which experienced 95% or a $12.6M increase over the same period with expansion in regional mining areas and service contracts in metropolitan Perth. East coast operations have experienced revenue growth of 10% in challenging market conditions after successful mobilisation of contracts with Ausgrid and Monash University.

EBITDA in the first half totalled $2.6m compared to $3.1m in the prior corresponding period largely as a result of an increase in the corporate overheads associated with investing in a structure to support accelerated growth in this key business unit.

TMS has consolidated its operations to achieve synergies through systems, customers and technologies and has made significant progress with the following key initiatives:

- Integrated ERP systems across all operations;
- Deployment of field staff mobility tablets;
- Standardisation of accounting practices, business operations and support functions;
- Upgrade of property facilities and vehicles; and
- Implementation of account management programs.

As a result of these initiatives, BSA is well positioned to capitalise on growth opportunities within this sector in the second half and beyond.

**Technical Field Force Solutions (TFFS)**

The TFFS business unit had a lower first half with revenue of $63m and EBITDA of $3.3m compared with revenue of $74m and EBITDA of $4.3m for the prior corresponding period primarily as a result of lower Foxtel volumes and the loss of the Silcar contract (by the head contractor) in January 2012.

A new contract was awarded with Foxtel on 17th December 2012 and extends BSA's existing metropolitan services to 2017, being an additional 2 years and also includes 100% of field activities in regional Australia. This contract award further endorses Foxtel's confidence in BSA continuing to provide high quality service to its valued customers and underpins TFFS' revenue for future years.

During the first half TFFS was also successful in winning a contract with the Department Of Broadband, Communications and the Digital Economy for the upgrade of analog to digital services for Centrelink recipients in Adelaide and Brisbane. This contract took effect late in the first half, with income largely to be generated in the second half.

**-ENDS-**

**For and on behalf of the Board**

**Further information:**

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