



ASX Announcement

Date: Thursday 10 April, 2008

FOR IMMEDIATE RELEASE

BSA advises slower start to Second Half

BSA Limited (ASX Code: **BSA**) today advises that the second half of FY08 is likely to be slower than the first half and today announces a downgrade of approximately 20% on its previous market guidance for the full year to 30 June 2008.

Based on the company's current projections it is expected that revenues will be \$240 to \$245 million or approximately 4.5% down on previous market guidance of \$255 million. The lower revenue expectations are predominately due to the following factors;

- Delays in major projects currently being undertaken by the Triple M Group due to the inclement weather experienced in both Sydney and Brisbane;
- The delay in commencing the Orange Hospital Public Private Partnership (PPP); and
- Lower revenues under the SILCAR (Telstra, installation and maintenance works) contract.

The above slowing of revenue, on its own, did not warrant the need to provide a profit downgrade to the market, however BSA has identified a number of abnormal items that will impact the EBITDA and NPAT results to a level that requires BSA to advise the market, the abnormal items include;

- The costs associated with the Hills Industries Ltd (ASX Code: **HIL**) unsuccessful merger and acquisition transaction;
- Obsolete inventory write offs not previously identified in prior years; and
- Higher expenditure and lower revenues realised by the business relating to the launch of FOXTEL's new Subscriber Management System.

The combination of the reduced revenue and increased operational expenditure is likely to impact the EBITDA and NPAT result by approximately 20% when compared to the company's previous market guidance of \$22 million and \$12 million respectively. These estimates are based on internal management accounts.

The cumulative impact of these abnormal items was confirmed by management on 8 April 2008.

Managing Director, Mark Foley said, "the abnormal expenditure items are disappointing for what otherwise has been a very strong year, had they not materialised we were on target to achieve our previous projections released to the market"

Mr Foley continued to say "whilst we are advising the market today of result that is lower than expected, future prospects remain strong with all of our major contracts in our Contracting Solutions space locked in. We are also very excited about the potential revenue growth for our business associated to the FOXTEL HD+ launch and the continued strengthening of our relationship with SILCAR



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in our Telecommunications division. Finally, the level of customer enquiry in building services (Triple M) division is the strongest it has been in the past 5 years, this is being driven out of the Private sector, combined with PPP and Health opportunities. I strongly believe Triple M is well positioned to take advantage of these potential opportunities”

Mr Foley concluded by saying, “on current projections it is anticipated that BSA will pay a final dividend of 1.5 cents per share fully franked which will result in a total of 5 cents per share being returned to shareholders for the full year. Based on the current BSA share price this will represent a fully franked dividend yield in excess of 10%”

ENDS

For further information please contact:

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BSA Limited is the largest provider of cable and satellite installations for the subscription television industry and a significant provider of high volume contracting services to the telecommunications industry across Australia.

BSA completed the acquisition of the Triple M group of companies on 1 August 2007. Triple M designs, installs and maintains mechanical and fire services for many of Australia’s largest building projects. Services include leading environmental and energy efficient design of mechanical services such as Heating, Ventilation, Air Conditioning (HVAC); and fire services including protection, detection and suppression systems.

For more information visit BSA's website: www.bsa.com.au



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