

10th December 2009



BSA Limited

Acquisition of Allstaff Group of
Companies

INVESTOR PRESENTATION



Acquisition Summary

- Effective 10th December 2009 BSA Limited acquired 100% of the shares in the Allstaff Group of Companies
- Purchase price of \$13million
 - Cash \$12million
 - Issue of 4,545,455 BSA Shares representing \$1million at 30 Day VWAP at 25/9/2009 of \$0.22
- BSA will be entitled to Allstaff profit from 1st July 2009 less interest on the purchase price – net amount will be treated as a reduction in the purchase price.
- Vendor will pay a dividend from retained earnings of \$23million prior to completion
- Positive Net Assets at acquisition will be retained in the business
- The business will continue to operate independently under the respected “Allstaff” brand and management will remain with the business

Acquisition Summary

- Allstaff brings annualised revenues of \$110million and an order book in excess of \$80million.
- Considerable ramp up in scale. Combined building services business will have;
 - total revenues exceeding \$200million
 - recurring service and maintenance income of \$30million
 - combined order book of \$200million
 - 600 employees
- Eps accretive in current year FY2010
- Conservative gearing levels post acquisition
 - Net Debt / (Net Debt + Equity) 23%
 - Net Debt / Equity 30%

Allstaff - Overview

- Headquartered in Melbourne, Allstaff is a market leader in commercial air conditioning installation and mechanical services.
- Established in 1975 and has a team of 300 employees
- Annual revenues of circa \$110million
- Operates in Victoria, New South Wales and the Australian Capital Territory.
- Customers include Bovis Lend Lease, Leighton Group of companies, Westfield and Brookfield Multiplex.

Building Services – Geographic Coverage



Acquisition Criteria

Steps	Criteria	Evaluation
Step 1 Strategic Rationale	<p>Must make strategic sense Match BSA's business model objectives High growth preferred market sector Leverage existing capability Increases customer and geographic spread More annuity style earnings Repeatable business</p>	<p>Allstaff is within BSA's target market</p> <p>Leverages existing capabilities – design and manufacturing capabilities</p> <p>Well established within the Victorian market Brings \$15m of services annuity income</p>
Step 2 Financially accretive	<p>EPS accretive year 1 NPV positive Margins circa 7% and sustainable Conservative purchase price EBITDA multiples</p>	<p>Accretive year one Margins have been achieved in excess of 7% Purchase price allows for the risk associated with sector recovery</p>
Step 3 Executable	<p>Synergies realisable at low risk (prefer cost than revenue synergies) Integration plan can be implemented within 90 days of acquisition Leverages shared services platform</p>	<p>Immediate synergies available through reduced communications costs, shared Pronto implementation resource and experience, manufacturing cost and purchase price synergies.</p> <p>Integration plan, focused on shared services, to be developed for immediate implementation.</p>

Financial Performance

\$Million	FY2008	FY2009A	FY2010B
Revenue	114	113	113
EBITD	6.8	8.3	6.0
EBIT	6.2	7.6	5.0
NPAT	4.4	5.3	3.5*

- ❖ Full year pre acquisition excludes;
 - Amortisation (~ \$1million)
 - One-off acquisition costs (~ \$500K)
 - One-off integration costs (~ \$500k) and
 - Interest on acquisition (~ \$800k)

Acquisition Balance Sheet

ASSETS	\$million
Cash	6.8
Receivables	22.9
Stocks	0.1
Other	1.2
Plant and equipment	1.1
Vehicles	2.3
Total Assets	34.5
LIABILITIES	
Trade and other creditors	16.4
Borrowings	2.9
Provisions	4.0
WIP / Contracts to complete	8.2
Total Liabilities	31.5
Net Assets	2.9

- Indicative balance sheet based on October 2009 Management Accounts.
- Actual balance sheet will vary due to movements in;
 - Profit for period to completion
 - Purchase price allocation and fair value accounting
 - Movements in working capital for the period
 - Project income accounting policy alignment

Acquisition Costs

Acquisition costs circa \$500k will be immediately expensed in accordance with AASB 3 - Business Combinations (Revised)

- Legal Fees
- Accounting and Tax Due Diligence

Integration Costs

Integration costs circa \$500k will be incurred and expensed during FY2010, in relation to;

- Integration project management
- IT systems alignment
- Supplier rationalisation
- Occupancy
- No Redundancies

Benefits will be realised in FY2011 and beyond

Amortisation

- A preliminary estimate of the intangible assets and goodwill arising from the acquisition has been undertaken.
- As a result annual amortisation of \$1million is expected to be incurred during the first 2 years post acquisition.
- FY2010 \$0.5million (11th December 2009 to 30th June 2010)
- Final numbers will be determined post completion with FY2010 accounts.

Summary

- First acquisition since 2008 strategic review
- Satisfies key investment criteria
- eps accretive
- Conservatively geared post acquisition
- Significantly strengthens position within Building Services Sector
- Triple M and Allstaff will continue to operate independently under their respective brands
- Positions BSA for further growth within sector