



**STRUCTURAL
MONITORING**
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AIRBUS and SMS TO JOINTLY DEVELOP AN IN-FLIGHT CVM™ SYSTEM

The Directors of Structural Monitoring Systems plc (ASX: SMN) are pleased to announce that the Company has entered into a Joint Development Agreement (JDA) with the leading European commercial aircraft manufacturer Airbus.

The stated objective of the JDA is for the “Development of Comparative Vacuum Monitoring (CVM™) for an in-flight Structural Health Monitoring (SHM) system”. At the conclusion of the joint development program SMS’s patented CVM™ technology will be ready for the in-flight structural monitoring of Airbus aircraft.

The Company’s CVM™ technology is one of the leading SHM technologies. SHM is now viewed as the “Final Frontier” in airframe design providing the potential to achieve the highest degree of design optimization of airframes. The potential benefits of SHM are the minimisation of airframe maintenance costs and reducing human factor influences, together with increased aircraft availability and structural weight saving.

The joint development program is planned to be concluded by the end of 2007, but may be accelerated at the request of Airbus to enable the CVM™ systems to be available for inclusion into existing and new Airbus aircraft.

The JDA specifies that license agreements shall be entered into within the term of the agreement.

An Airbus spokesperson said; “We are pleased to have entered into this Joint Development Agreement with SMS which will see CVM™ systems developed to meet Airbus requirements for on-aircraft applications on both new and existing aircraft. We look forward to a long and mutually beneficial relationship with SMS.”

Airbus has been using the Company’s CVM™ technology for four years in materials and structural testing programs, and is currently using CVM™ on the full-scale structural testing program for the new A380 aircraft.

Chairman of Structural Monitoring Systems, Sir John Walker said “Entering into this agreement is a key milestone in the development of the technical and commercial relationship between Airbus and SMS. It is the result of a long-standing working association with Airbus, one of the world’s premier aircraft manufacturing companies. It represents a significant commitment and investment by Airbus and is a clear demonstration that the Company’s patented CVM™ technology is at the forefront of Structural Health Monitoring development.”

Enquires regarding the above announcement or any aspect of the Company’s commercialisation program can be directed to Mark Vellacott, Chief Executive Officer on (08) 9204 4844.

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A public limited liability company incorporated under the laws of England and Wales.

For and on behalf of
STRUCTURAL MONITORING SYSTEMS plc

Colin McDonald
COMPANY SECRETARY
2 June 2005