

Appendix 4D

Half Year Report to the Australian Stock Exchange

Name of Entity	Structural Monitoring Systems plc
ABRN	106 307 322
Half Year Ended	31 December 2006
Previous Corresponding Reporting Period	31 December 2005

Results for Announcement to the Market

	\$'000	Percentage increase/(decrease) over previous corresponding period
Revenue from ordinary activities	1,147	(9%)
Profit / (loss) from ordinary activities after tax attributable to members	(1,610)	13%
Net profit / (loss) for the period attributable to members	(1,610)	13%
Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	-c	-c
Interim Dividend	-c	-c
Record date for determining entitlements to the dividends (if any)	Not Applicable	
Brief explanation of any of the figures reported above necessary to enable the figures to be understood:		
<u>Consolidated Results</u>		
The Group incurred a loss from ordinary activities of \$1.610 million for the 6 months ended 31 December 2006 compared to a loss of \$1.423 million for the corresponding 6 months ended 31 December 2005.		

Dividends

Date the dividend is payable	Not Applicable
Record date to determine entitlement to the dividend	Not Applicable
Amount per security	-c
Total dividend	-c
Amount per security of foreign sourced dividend or distribution	-c
Details of any dividend reinvestment plans in operation	Not Applicable
The last date for receipt of an election notice for participation in any dividend reinvestment plans	Not Applicable

NTA Backing

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security	1.95c	2.20c

Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	Not Applicable
Date control gained	Not Applicable
Consolidated profit / (loss) from ordinary activities since the date in the current period on which control was acquired	Not Applicable
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	Not Applicable

Loss of Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	Not Applicable
Date control lost	Not Applicable
Consolidated profit / (loss) from ordinary activities for the current period to the date of loss of control	Not Applicable
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) while controlled for the whole of the previous corresponding period	Not Applicable

Details of Associates and Joint Venture Entities

Name of Entity	Percentage Held		Share of Net Profit	
	Current Period	Previous Period	Current Period	Previous Period
Aggregate Share of Net Profits				

Foreign Entities Accounting Framework

For foreign entities provide details of which accounting standards have been adopted (e.g. International Accounting Standards)

This report has been prepared in accordance with AASB Standard 134.

International financial reporting standards have been adopted by the Company in the preparation of this report.

Audit/Review Status

This report is based on accounts to which one of the following applies:

(Tick one)

The accounts have been audited	<input type="checkbox"/>	The accounts have been subject to review	<input checked="" type="checkbox"/>
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If the accounts are subject to audit dispute or qualification, a description of the dispute or qualification:

No qualification or dispute

Attachments Forming Part of Appendix 4E

Attachment #	Details
1	Half Year Financial Report
2	Audit Report or Review Report

Signed By (Director/Company Secretary)



Print Name Colin McDonald

Date 28 February 2007

STRUCTURAL MONITORING SYSTEMS PLC
(ABN 94 067 556 245)

HALF-YEAR FINANCIAL REPORT

31 DECEMBER 2006

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CORPORATE DIRECTORY

Board of Directors

Air Marshal Sir John Walker
Non Executive Chairman

Robin Dean
Non Executive Director

Mark Vellacott
Managing Director

Malcolm Richmond
Non Executive Director

Company Secretary

Colin McDonald

Registered and Corporate Office

Unit 5, 15 Walters Drive
Osborne Park
Western Australia 6017

Telephone: +61 8 9204 4844
Facsimile: +61 8 9204 4866
Email: sms@smsystems.com.au
Website: www.smsystems.com.au

Important Notices

Structural Monitoring Systems PLC (the Company) is incorporated in the United Kingdom under the laws of England and Wales.

The Company is not subject to Chapters 6, 6A, 6B and 6C of the Australian Corporations Act 2001 dealing with the acquisitions of shares (including substantial holdings and takeovers).

Share Registry

Advanced Share Registry Services
PO Box 1156
Nedlands
Western Australia 6009
Telephone: +61 8 9389 8033
Facsimile: +61 8 9389 7871

Auditors

PKF (UK) LLP
Registered auditors
Pannell House, Park Street, Guildford,
Surrey, GU1 4HN

Telephone: +44 1483 564646
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4 Elwick Road
Ashford
Kent TN23 1PF
United Kingdom
Telephone: +44 1233 666 795
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Stock Exchange Listing

Australian Stock Exchange
(Home Exchange: Perth, Western Australia)

ASX Codes:

Shares (CDI's) SMN
Options SMNO

Directors' Report

Your Directors submit their report for the half-year ended 31 December 2006.

DIRECTORS

The names of the Company's directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Air Marshal Sir John Walker (Non-executive Chairman)
Robin Dean
Mark Vellacott (Managing Director)
Malcolm Richmond (appointed 17 October 2006)
Anthony Brennan (resigned 7 July 2006)
David Forsyth (resigned 17 October 2006)

REVIEW AND RESULTS OF OPERATIONS

The consolidated entity incurred a loss for the half-year of \$1,609,698. Net cash outflows from operating activities totalled \$1,798,357.

On 20 December 2006, the Company issued 30,000,000 Ordinary shares at 12.5 cents each to institutional investors through LINWAR Securities Ltd to raise \$3,750,000.

On 8 December 2006 the Company announced that the Brazilian government approved funding to the Brazilian University of Uberlandia for a three year program for the development and qualification of an in-flight structural health monitoring system based on the Company's Comparative Vacuum Monitoring (CVM) technology to be available to be incorporated into future Embraer aircraft.

The final test program being carried out in conjunction with the FAA and Boeing to enable CVM to be included in the Boeing Component Maintenance Manual continued and is now expected to be completed during the second half of February 2007. The Company is arranging to meet with Boeing in March to finalise the supporting documentation for the inclusion of CVM in their manual.

Signed in accordance with a resolution of the Directors.



Mark Vellacott
Director
Perth, Western Australia
26 February 2006

**Condensed Consolidated Income Statement
For The Half-Year Ended 31 December 2006**

	Note	6 months to 31 Dec 2006 \$	6 months to 31 Dec 2005 \$
Continuing operations			
Revenue			
Sales		284,015	982,004
Cost of sales		(51,497)	(284,972)
		<hr/>	<hr/>
Gross profit		232,518	697,032
Other revenues from ordinary activities	2	863,269	282,415
Administrative & corporate expenses		(793,476)	(911,191)
Depreciation		(78,130)	(71,614)
Marketing expenses		(288,323)	(226,913)
Occupancy expenses		(48,249)	(48,288)
Research and development expenses		(1,543,987)	(1,222,236)
		<hr/>	<hr/>
Loss from continuing operations before income tax and finance costs		(1,656,378)	(1,500,795)
Finance income		48,883	84,250
Finance costs		(2,203)	(7,266)
Income tax relating to ordinary activities		-	-
		<hr/>	<hr/>
Loss after finance costs and tax from continuing operations		(1,609,698)	(1,423,811)
Net loss attributable to outside equity interest		<hr/>	<hr/>
		-	-
Net loss attributable to members of Structural Monitoring Systems Plc		<hr/>	<hr/>
		(1,609,698)	(1,423,811)
Total changes in equity other than those resulting from transactions with owners as owners		<hr/>	<hr/>
		(1,609,698)	(1,423,811)
Basic loss per share (cents per share)		(0.77)	(0.72)

The options on issue are anti-dilutive under IAS and therefore diluted and undiluted EPS are the same

**Condensed Consolidated Statement of Total Recognised Gains and Losses
For the Half-Year Ended 31 December 2006**

Consolidated loss after taxation	(1,609,698)	(1,423,811)
Currency translation differences	(44,054)	(20,929)
	<hr/>	<hr/>
Total recognised losses since 1 July 2006	(1,653,752)	(1,444,740)

The accompanying notes form part of these financial statements.

**Condensed Consolidated Balance Sheet
Half -Year Ended 31 December 2006**

	As at 31 December 2006 \$	As at 30 June 2006 \$
ASSETS		
Non-current assets		
Plant and equipment	275,539	319,637
Total non-current assets	275,539	319,637
Current assets		
Inventories	81,998	58,409
Prepayments	10,899	145,533
Trade and other receivables	307,168	390,236
Cash and cash equivalents	4,572,399	2,762,052
Total current assets	4,972,464	3,356,230
Total assets	5,248,003	3,675,867
LIABILITIES		
Current liabilities		
Trade and other payables	485,221	843,397
Provisions	121,515	150,615
Total current liabilities	606,736	994,012
NET ASSETS	4,641,267	2,681,855
Equity		
Called up share capital	28,591,678	24,841,678
Share premium account	9,540,134	9,691,094
Other reserves	106,563	136,493
Accumulated losses	(33,597,108)	(31,987,410)
TOTAL EQUITY	4,641,267	2,681,855

The accompanying notes form part of these financial statements.

**Condensed Consolidated Statement of Cash Flows
For The Half-Year Ended 31 December 2006**

	Note	Six months to 31 Dec 2006 \$	Six months to 31 Dec 2005 \$
Cash flows from operating activities			
Receipts from customers		367,111	527,104
Payments to suppliers and employees		(2,992,391)	(2,768,803)
Grant income received	2 (i)	826,923	-
Other revenue received	2 (i)	-	2,300
Net cash outflows from operating activities		<u>(1,798,357)</u>	<u>(2,239,399)</u>
Cash flows from investing activities			
Interest received	2(ii)	48,883	84,250
Finance costs		(2,203)	(7,266)
Purchase of plant and equipment		(34,031)	(59,560)
Net cash inflows from investing activities		<u>12,649</u>	<u>17,424</u>
Net cash outflow before financing		<u>(1,785,708)</u>	<u>(2,221,975)</u>
Cash flows from financing activities			
Proceeds from issue of shares		3,750,000	3,525,500
Payment of share issue costs		(150,960)	(79,303)
Net cash inflows from financing activities		<u>3,599,040</u>	<u>3,446,197</u>
Net increase in cash held		1,813,332	1,224,222
Add opening cash brought forward		2,762,052	2,592,737
Effects of exchange rate changes on cash		(2,985)	-
Closing Cash Carried Forward		<u>4,572,399</u>	<u>3,816,959</u>

The accompanying notes form part of these financial statements.

**Condensed Consolidated Statement Of Changes In Equity
For The Half-Year Ended 31 December 2006**

**Condensed Consolidated Statement of Changes in Equity
At 31 December 2005**

Consolidated	Issued capital	Retained earnings	Share Premium Reserve	Other Reserves	Total Equity
At 1 July 2005	21,327,114	(28,217,296)	9,759,465	(325,368)	2,543,915
Currency translation differences	-	-	-	(20,929)	(20,929)
Profit/(loss) for the period	-	(1,423,811)	-	-	(1,423,811)
Issues of shares	3,514,564	-	10,936	-	3,525,500
Cost of share issues	-	-	(79,307)	-	(79,307)
Cost of share based payment	-	-	-	23,592	23,592
At 31 December 2005	<u>24,841,678</u>	<u>(29,641,107)</u>	<u>9,691,094</u>	<u>(322,705)</u>	<u>4,568,960</u>

**Condensed Consolidated Statement of Changes in Equity
At 31 December 2006**

Consolidated	Issued capital	Retained earnings	Share Premium Reserve	Other reserves	Total Equity
At 1 July 2006	24,841,678	(31,987,410)	9,691,094	136,493	2,681,855
Currency translation differences	-	-	-	(44,054)	(44,054)
Profit/(loss) for the period	-	(1,609,698)	-	-	(1,609,698)
Issues of shares	3,750,000	-	-	-	3,750,000
Cost of share issues	-	-	(150,960)	-	(150,960)
Cost of share based payment	-	-	-	14,124	14,124
At 31 December 2006	<u>28,591,678</u>	<u>(33,597,108)</u>	<u>9,540,134</u>	<u>106,563</u>	<u>4,641 267</u>

The accompanying notes form part of these financial statements

Notes to the Half-Year Financial Statements

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation of the half-year financial report

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report

The half-year consolidated financial report should be read in conjunction with the annual Financial Report of the Company as at 30 June 2006 which was prepared in accordance with IFRSs as adopted by the European Union.

It is also recommended that the half-year financial report be considered together with any public announcements made by the Company and its controlled entities during the half-year ended 31 December 2006 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

(b) Statement of Compliance

A summary of the significant accounting policies of the Group under IFRS are disclosed in the notes below.

The half-year consolidated financial report is a general purpose financial report, which has been prepared in accordance with the requirement of the Corporations Act 2001, applicable Accounting Standards, including AASB 134 “Interim Financial Reporting” and other mandatory professional reporting requirements. The half-year financial report has been prepared on a historical cost basis, except where stated.

(c) Significant accounting policies

The half-year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2006.

(d) Basis of consolidation

The half-year consolidated financial statements comprise the financial statements of Structural Monitoring Systems plc and its controlled subsidiaries (‘the Group’).

(e) Share-based Payment Transactions

The Company provides to employees (including directors) of the Group incentives in the form of an Employee Share Option Plan.

The cost of equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The value is determined using the Black-Scholes option valuation method up until 30 June 2006, and the Binomial option valuation method since 1 July 2006.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant directors or employees become fully entitled to the award (“vesting date”).

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Notes continued
31 December 2006

(f) Foreign currency

Assets and liabilities in foreign currencies are translated into Australian dollars at rates of exchange ruling at the end of the financial period. Transactions denominated in foreign currency are translated into Australian dollars at the exchange rates prevailing at the date of the transaction. All foreign exchange differences arising on transactions are taken to the income statement in the year in which they arise.

Exchange differences arising on translation of functional currency into presentational currency of Australian dollars are taken directly as a separate component of equity.

All amounts shown in these financial statements are stated in Australian dollars.

(g) Research and development expenditure

- (i) Research and patent costs are expensed as incurred.
- (ii) Development expenditure incurred is carried forward when its future recoverability can reasonably be regarded as assured.

Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure carried forward is amortised over the period of expected future sales from the related project.

The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use or more frequently when an indicator of impairment arises during the reporting year indicating that the carrying value may not be recoverable.

(h) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery of the goods to the customer.

(i) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

The gross amount of grants received are recognised as Other Income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

(j) Income tax

The charge for taxation is based on the profit or loss for the year and takes into account deferred tax. Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit or loss, and is accounted for using the balance sheet method.

Deferred tax assets are only recognised to the extent that it is probable that future taxable profit will be available in the foreseeable future against which the temporary differences can be utilised.

Notes continued

31 December 2006

	Six months to 31 Dec 2006 \$	Six months to 31 Dec 2005 \$
2. LOSS FROM ORDINARY ACTIVITIES		
Loss from ordinary activities before income tax expense includes the following revenues and expenses whose disclosure is relevant in explaining the financial performance of the entity:		
(i) Other revenues from ordinary activities		
Commercial Ready grant funding receivable	826,923	280,115
Insurance refund	36,346	2,300
	<hr/> 863,269	<hr/> 282,415
(ii) Finance income		
Bank interest receivable	48,883	84,250
	<hr/> 78,130	<hr/> 71,614
(iii) Depreciation		
(iv) Employee benefits expense		
Wages and salaries	1,200,937	981,132
Workers' compensation costs	12,282	10,323
Superannuation costs	96,764	68,177
Social security costs	25,598	30,127
Expense of share based payments	14,124	11,525
	<hr/> 1,349,705	<hr/> 1,101,284

3. CONTINGENT ASSETS AND LIABILITIES

Since the last annual reporting date, no contingent assets or contingent liabilities have arisen.

4. SUBSEQUENT EVENTS

No matter or circumstance has arisen since the end of the half year end that has significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial years.

Notes continued
31 December 2006

5. SEGMENT ANALYSIS

Turnover for the half-year ended 31 December 2005 in respect of continuing operations

	UK/Europe	Australasia	Consolidated
	\$	\$	\$
Geographical Analysis by Origin:			
Sales to customers outside the consolidated entity	109,105	872,899	982,004
	<u>109,105</u>	<u>872,899</u>	<u>982,004</u>
Geographical Analysis by Destination:			
Sales to customers outside the consolidated entity	466,656	515,348	982,004
	<u>466,656</u>	<u>515,348</u>	<u>982,004</u>

The consolidated entity operates predominantly in one industry, being Structural Health Monitoring. An analysis of the loss before tax is given below:

	UK/Europe	Australasia	Consolidated
	\$	\$	\$
Result	(282,852)	(1,140,959)	(1,423,811)
Consolidated entity loss from ordinary activities before income tax			<u>(1,423,811)</u>

SEGMENT ANALYSIS

Turnover for the half-year ended 31 December 2006 in respect of continuing operations

	UK/Europe	Australasia	Consolidated
	\$	\$	\$
Geographical Analysis by Origin:			
Sales to customers outside the consolidated entity	28,916	255,099	284,015
	<u>28,916</u>	<u>255,099</u>	<u>284,015</u>
Geographical Analysis by Destination:			
Sales to customers outside the consolidated entity	227,685	56,330	284,015
	<u>227,685</u>	<u>56,330</u>	<u>284,015</u>

The consolidated entity operates predominantly in one industry, being Structural Health Monitoring. An analysis of the loss before tax is given below:

	UK/Europe	Australasia	Consolidated
	\$	\$	\$
Result	(349,529)	(1,260,169)	(1,609,698)
Consolidated entity loss from ordinary activities before income tax			<u>(1,609,698)</u>

6 ISSUED CAPITAL AND RESERVES

	<i>Dec 2006</i>	<i>June 2006</i>
	\$	\$
<i>Ordinary Shares</i>		
Issued and fully paid	28,591,678	24,841,678
<i>Movement in ordinary shares in issue</i>		
At 1 January 2006 and 30 June 2006	207,660,701	24,841,678
Issued on 20 December 2006 for cash	30,000,000	3,750,000
At 31 December 2006	237,660,701	28,591,678
<i>Share Premium Reserve</i>		
Share Premium Reserve	9,540,134	9,691,094
<i>Movement in Share Premium Reserve</i>		
At 1 January 2006 and 30 June 2006	207,660,701	9,691,094
Placement 20 December 2006	30,000,000	-
Cost of shares issued 20 December 2006	-	(150,960)
At 31 December 2006	237,660,701	9,540,134
Other Reserves		
Option Reserve	57,376	43,252
<i>Unlisted Options on Issue</i>		
<i>Movement in Option Reserve</i>		
At 1 January 2006	12,220,999	23,592
Issued to employees through ESOP	1,918,001	19,660
At 30 June 2006	14,139,000	43,252
Issued to employees through ESOP	846,000	14,124
(Note: 303,000 options were issued to an employee and cancelled on that employee's resignation during the same period)	-	-
Outstanding unlisted options-31 December 2006	14,985,000	57,376
<i>Listed Options</i>		
At 1 January 2006 and 30 June 2006	62,179,622	-
Outstanding listed options at 31 December 2006	62,179,622	-
Total outstanding options at 30 June 2006	77,164,622	-
<i>Currency translation reserve</i>		
Currency translation reserve	49,187	93,241
Total other reserves	106,563	136,493

Directors' Declaration

In accordance with a resolution of the Directors of Structural Monitoring Systems PLC, I state that:

In the opinion of the Directors:

- (a) the financial statements and notes of the consolidated entity:
 - (i) give a true and fair view of the financial position as at 31 December 2006 and the performance for the half-year ended on that date of the consolidated entity; and
 - (ii) comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Mark Vellacott
Director
Perth, Western Australia
26 February 2007

INDEPENDENT AUDITORS' REVIEW REPORT

TO THE MEMBERS OF STRUCTURAL MONITORING SYSTEMS PLC

We have reviewed the accompanying half-year financial report of Structural Monitoring Systems PLC, which comprises the condensed balance sheet as at 31 December 2006, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, a statement of significant accounting policies, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of an Interim Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the disclosing entities' financial position as at 31 December 2006 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Structural Monitoring Systems PLC, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

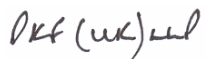
Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Structural Monitoring Systems PLC is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entities' financial position as at 31 December 2006 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.


PKF (UK) LLP

Guildford, UK, dated this 26 day of February 2007

The Directors
Structural Monitoring Systems PLC
Unit 5
15 Walters Drive
Osborne Park
Perth
Western Australia 6017

Our ref: MB/TJH

26 February 2007

Dear Sirs

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF STRUCTURAL MONITORING SYSTEMS PLC**

As lead engagement partner for the review of the half year financial report of Structural Monitoring Systems PLC for the six months ended 31 December 2006, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

Yours faithfully



Michael Bridge
Partner
PKF (UK) LLP

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