



Activities Report & Cash Flow Statement

For the 3 months ending 31 March 2018

Quarterly Activities and Cash Flow Statement

For the three months ending 31 March 2018

30 April 2018

MCS Services Limited (**MCS Services**) (**Company**) (ASX: **MSG**) is pleased to present its Quarterly Activities Report and Appendix 4C Cash Flow Statement for the three months ending 31 March 2018 (**Period**).

During the Period the Company delivered a positive operating cashflow of \$447,000 and increased its net cash position by \$379,000, finishing the Period with a cash balance of \$728,000.

Cash and net receivables as at 31 March 2018 totaled \$2.5 million (\$2.3 million as at 31 December 2017) comprising cash of \$0.7 million (\$0.4 million as at 31 December 2017) and net receivables of \$1.8 million (\$1.9 million as at 31 December 2017).

OPERATIONS UPDATE

The Company has maintained revenue performance and maintained all major clients.

During the Period the Company:

- was awarded a contract for the supply of security services to the new stadium in Perth;
- added additional adhoc security work including at a sizeable transport hub adjacent to the new Perth stadium,
- increased its security coverage at a prestigious large sailing club / Marina, and
- added a number of other security contracts.

The Company also improved the efficiency and cost-base of its Head Office operations, including through a reduction in the headcount.

Subsequent to the Period the Company announced it had been successful with a major retail security tender, renewing its existing work at three sites and gaining work at four additional sites for the customer across metropolitan Perth. Effective 1 June, MCS Security will proudly service all of the customer's major Shopping Centres in metropolitan Perth.

ACQUISITION UPDATE

The Company is constantly assessing the expansion of its operations in the Perth metropolitan area, regional Western Australia and interstate through the identification and acquisition of suitable targets.

The Company will only make acquisitions that are value accretive to shareholders and which enhance its strategic objectives. The Company is currently in preliminary discussions for the acquisition of a security business based outside of WA. A site visit is planned shortly.

Discussions remain confidential, non-binding and incomplete.

Quarterly Activities and Cash Flow Statement

For the three months ending 31 March 2018

30 April 2018

Attached is the Appendix 4C Quarterly Cash Flow Statement for the three months ending 31 March 2018.

Yours faithfully,



Paul R. Simmons
Chief Executive Officer
MCS Services Limited

For further information, please contact:

Corporate/Operational	Paul Simmons, Chief Executive Officer	+61 (8) 9301 2420
Investors/Analysts	Jonathan Asquith, Company Secretary	+61 (8) 9321 9669

About MCS Services Limited

MCS Services Limited is a Company listed on the Australian Securities Exchange (ASX: **MSG**). The Company is one of the largest fully integrated security providers in Western Australia, employing over 500 operational staff and supervisors. MCS Services specialises in asset security at government offices and facilities, major commercial property sites, retail shopping centres, sports stadiums, construction sites, ancillary sites and major outdoor events throughout Western Australia.

Visit the Company's website (www.mcssecurity.com.au) and see the Company's latest announcements (www.asx.com.au/asx/research/company.do#!/MSG) for more details.

Forward-Looking Statements

This document includes forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning MCS Services Limited's planned activities, operations, expectations and other statements that are not historical facts. When used in this announcement, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should," and any other similar expressions are forward-looking statements. Although MCS Services Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. All figures presented in this document are unaudited and this document does not contain any forecasts of profitability or loss.

-END-