

ASX MEDIA ANNOUNCEMENT

20 July 2015

MARKET UPDATE

Construction services group Global Construction Services Limited (**ASX: GCS**, “**GCS Group**”) is today providing the following market update on its business activities and performance.

GCS will deliver a solid financial performance for FY15 despite a tough market and lower revenue of \$150m (FY14 \$160m) primarily as a result of the delays in the award and start-up of various major contracts. The reported Group NPAT on an unaudited basis is expected to be in the range of \$8.5m - \$9m (FY14 \$8.2m) with EBITDA expected to be in the range of \$26m - \$28m.

Further to the above result, GCS maintains a strong cash position with cash on hand at the end of FY15 of \$20.7m. The continued focus on strengthening the balance sheet has achieved a further reduction in the net debt to equity ratio to approximately 15% (FY14 32%) as at the end of FY15.

“FY15 has been a year of significant change and improvement for the business, having restructured its main operating divisions, implemented some material cost saving initiatives across the broader Group, strategic placement with Brookfield Capital Partners and successfully completing the refinancing of its debt facilities”, said GCS Group Managing Director Mr. Enzo Gullotti.

OUTLOOK

GCS commences FY16 financial year with approximately 70% of our budgeted revenue already committed and started. This reinforces GCS’s strong market position and includes work on Capital Square, New Perth Stadium, Crown Casino, Inpex, Woodside and the recently announced Sino Iron Project for CITIC Pacific Mining.

“Tendering activity remains robust and we are pleased to see a number of new major contracts being awarded to the main contractors in the commercial sector. Activity levels in the residential sector are still at an all-time high, and we envisage this will continue throughout FY16. These will all have a positive flow on effect to our revenues and margins in FY16”, said GCS Group Managing Director Mr. Enzo Gullotti.

Our East coast JV – SmartScaff has continued to grow throughout FY15 and this trend is expected to continue in to FY16.

As part of our East coast expansion we are in the final stages of forming a new JV with a specialist formworking contractor in NSW. There is significant opportunity for developing and growing this new division on the back of strong demand in NSW for the products and services that the Group has to offer.

We are confident the business is extremely well placed to continue to improve performance, take advantage of the significant pipeline of new projects, and to actively pursue growth and market consolidation opportunities in FY16 and beyond.

-ENDS-

ABOUT GCS

The GCS Group is an Australian construction and maintenance services company that offers a diverse range of integrated products, services, and solutions covering the Infrastructure; Energy; Oil & Gas; Resource & Industrial; Commercial; and Residential sectors. The GCS Group’s strategy for growth is to continue to capitalise on opportunities



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in the sectors it currently services, explore new markets and products, diversify into related industry sectors, and acquire selected new businesses that create value for shareholders.

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