

ASX MEDIA ANNOUNCEMENT

27 August 2015

GCS REPORTS SOLID FULL YEAR 2015 RESULT

Key Highlights

- Solid financial performance in a tough market
 - Net profit after tax (NPAT) of \$8.7m, up 7.1% on FY14
 - Revenue \$150.5m, down 6.0% on FY14
 - Continued strong focus on capital management and further debt reduction
 - Strong activity levels and improved margins in Residential sector
 - Lower cost base through operational efficiencies
 - Reduced interest costs
- Diverse market sector presence and broad product offering underpinning the growth and ongoing development of the business despite the mining slowdown
- Momentum increasing in Commercial sector
- Executing on strategy to continue to build annuity revenue streams
- New major contracts and contract extension secured

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 \$32.7m reduction in net debt, resulting in a net debt to equity ratio of 14% (FY14: 32%).

“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, coupled with the strategic placement to 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 secured work on Capital Square (\$46.2m) and New Perth Stadium (\$30.0m), in addition to other annuity style project work including 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 into FY16.

As part of our East coast expansion strategy we are currently assessing a number of opportunities on the back of strong demand in NSW for the products and services that the Group has to offer.



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GCS



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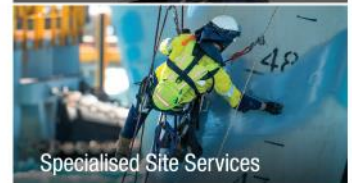
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GCS is extremely well placed to continue to improve performance, take advantage of the significant pipeline of new projects, and to actively pursue growth and market consolidation opportunities in FY16 and beyond.

The Board will continue to monitor the business and market conditions and is targeting the reinstatement of dividends in FY2016.

-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 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.

Further Information:

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