

ASX MEDIA ANNOUNCEMENT

14 October 2016

GCS Sells Interest in SmartScaff

Construction Services group Global Construction Services Limited (ASX:GCS) today announced it has signed a binding agreement to sell its 50% interest in SmartScaff Pty Ltd to the remaining shareholders in SmartScaff for \$10.5m in cash. In addition upon settlement GCS will receive \$7.0m from SmartScaff as repayment of its outstanding loan with GCS.

SmartScaff is a specialist scaffolding hire and sales company operating on the east coast of Australia and was equity accounted in the consolidated financial statements of GCS.

GCS Group Managing Director Enzo Gullotti welcomed the completion of the transaction which he said will resolve differing shareholder views on the strategic direction of SmartScaff. We sincerely thank the Board, management and team members of SmartScaff for their contribution and efforts over the last 5 years.

The expected transaction completion date is the 28 October 2016 and is subject to the usual closing conditions. On completion of the transaction GCS will be in a net cash (cash and cash equivalents less debt) position.

-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.

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