

Appendix 4E

For the year ended 30 June 2017

Global Construction Services Limited and its controlled entities

ABN 81 104 662 259

Details of reporting period

Reporting period	12 months ended 30 June 2017
Previous corresponding period	12 months ended 30 June 2016

Results for announcement to the market

			2017 \$'000	2016 \$'000
Revenue from ordinary activities	Up	12.5%	207,698	184,549
Underlying net profit after tax	Up	12.4%	13,502	12,015
Net profit/(loss) after tax from ordinary activities attributable to members			*10,874	** (76,882)
Net profit/(loss) for the year attributable to members			*10,874	** (76,882)

			2017 cents	2016 cents
Underlying basic earnings per share			6.7	6.0
Earnings/(loss) per share (basic)			*5.4	** (38.4)
Net tangible assets per security			60.1	62.9

* The profit for the year ended 30 June 2017 includes a one-off adjustment of \$2.1 million for the capital gains tax on disposal of the Group's 50% interest in Smartscuff Pty Ltd ("Smartscuff"), and a \$0.5 million accounting loss on disposal of Smartscuff.

**The loss for the prior period ended 30 June 2016 included a non-cash impairment charge of \$88.9 million after tax.

Dividends/Distributions

	Amount per Security	Franked amount per Security
FY 2017 dividend		
Interim dividend – paid 17 March 2017	1.0¢	1.0¢
Final dividend	1.0¢	1.0¢
Total FY 2017 dividend	2.0¢	2.0¢
Record date for determining entitlements to final dividend	5:00pm (WST) on 15 September 2017	
Date the final dividend is payable	13 October 2017	
Previous corresponding period		
Interim dividend	-	-
Final dividend – paid 14 October 2016	1.0¢	1.0¢
Total FY 2016 dividend	1.0¢	1.0¢
Other dividends/distributions		
Special dividend – paid 3 January 2017	2.0¢	2.0¢



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Details of dividend reinvestment plans

Not applicable.

Details of entities over which control has been gained or lost during the period

Refer to attached preliminary final report.

Details of associates and joint venture entities

Refer to attached preliminary final report.

Commentary on the results for the period

Overview

Global Construction Services Limited ("GCS", "GCS Group" or "the Group") delivered another strong performance in 2017, with an underlying net profit after tax of \$13.5 million as compared to an underlying net profit after tax of \$12.0 million for the previous corresponding period. Overall, this was a very strong earnings result in variable market conditions and reflects the strength of our market position and the diversity of our business.

The reported net profit after tax attributable to owners of the Group of \$10.9 million includes a one-off adjustment of \$2.1 million for the capital gains tax on disposal of the Group's 50% interest in Smartscuff Pty Ltd ("Smartscuff"), and a \$0.5 million accounting loss on disposal of Smartscuff.

Revenue and earnings

Group revenue grew to \$207.7 million, up 12.5% from the previous corresponding period revenue of \$184.5 million. Strong revenue growth in the Commercial Segment and in the Resource, Industrial and Oil & Gas Segment, was partially offset by lower activity in the Residential Segment. The Residential Segment was impacted by the soft market conditions in the Western Australian housing sector and the economy more generally.

The Group's underlying EBITDA of \$29.2 million (FY16: \$28.0 million) was 4.3% higher than the previous corresponding period, with average Group EBITDA margins lower at 14.2% (FY16: 15.5%) reflecting the change in margin mix from the increase in contract services at comparatively lower margins, lower asset utilisation rates, a highly competitive pricing environment and a very soft residential market in Western Australia.

The underlying earnings per share was 6.7 cents per share (FY16: 6.0 cents per share).

The acquisition of Gallery Facades Australia Pty Ltd (formerly Podium Glazing Australia Pty Ltd) ("Gallery" or "Gallery Facades") and GCS Summit Contracting Pty Ltd ("Summit") contributed to the increase in underlying earnings. This was partially offset by the lower contribution from the disposal of the investment in east coast associated entity, Smartscuff.

Reflecting the Group's strategy of geographic expansion and diversification, \$50.2 million or 24.2% of revenue was generated from the eastern states.

Financial position and cash flow

The Group's financial position has continued to strengthen, with the Group reporting a net cash position of \$3.8 million, an improvement of \$17.6 million as compared to the net debt position of \$13.8 million in the previous corresponding period.

The Group generated strong operating cash inflows of \$19.1 million and continued its focus on the management of working capital. Working capital employed at 30 June 2017 of \$18.7 million increased 6.9% from the previous corresponding period of \$17.5 million, reflecting the increase in the scale and diversity of the Group's operations.

The Group generated net cash inflows from investing activities of \$12.3 million as compared to net cash outflows in the previous corresponding period of \$4.3 million. This improvement of \$16.6 million as compared to the previous corresponding period, included the following:

- Cash proceeds from the sale of SmartScaff of \$10.5 million;
- Cash proceeds from the repayment by SmartScaff of the \$7.0 million outstanding loan from GCS;
- \$6.2 million of cash acquired as part of the acquisition of Gallery Façades;
- Cash outflow of \$7.37 million representing initial consideration for the acquisition of the business and assets of Summit Formwork (Aust) Pty Ltd and Summit Investment Services Pty Ltd (together "Summit"); and
- Total capital expenditure of \$4.1 million was down 33% compared to the previous corresponding period amount of \$6.1 million.

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Cash outflows from financing activities of \$21.0 million was primarily driven by the return to shareholders of \$8.0 million in dividends and the repayment of borrowings of \$10.5 million, consistent with the Group's strategy of continuing to reduce debt, maintain a net cash position and continue to pay dividends to shareholders.

Capital management

The Group maintained focus on its capital management strategy, ensuring a strong financial position and cash position that provides flexibility to support growth and expansion of the business. With the Group's strong financial result and cash position, the Group declared and paid in excess of \$8 million in dividends throughout the year, representing \$0.04 per share.

The Board continues to respond to market conditions by reviewing its operating segments and rationalising and aligning resources to match activity levels. GCS has continued to execute its strategy of diversifying its revenue base geographically (including the Summit and Gallery acquisitions) and to focus on more sustainable annuity streams which offer integrated labour and equipment solutions to customers over the long term project life cycle. The Group continues to focus on improving and optimising the returns from our portfolio of businesses by continuing to drive operational efficiencies, diversifying our revenue streams, reducing costs and maintaining a disciplined approach to managing the balance sheet.

GCS Group is well placed to meet future growth and expansion opportunities on the back of a solid and well established integrated product and services platform.

Segment financial performance

Commercial

This segment performed strongly in the period with revenue up 22.0% to \$142.8 million (FY16: \$117.1 million). EBITDA increased by 10.5% to \$19.6 million (FY16: \$17.7 million). Overall EBITDA margin of 13.7% was down 9.5% on the previous corresponding period, reflecting the execution of the strategy to diversify revenue streams, with increased contracting services at comparatively lower margins and a reduction in the utilisation rates for hire equipment, which are typically at comparatively higher margins. The diversification in revenue streams has resulted in a less capital intensive operation, reducing the need for capital expenditure considerably. The sector remains a competitive pricing landscape but the tender pipeline remains sufficiently robust.

The acquisition of a controlling interest in Gallery Facades, completion of the Summit acquisition, coupled with the major projects awarded to GCS, have underpinned the growth and profitability of the business, in variable market conditions.

During the year, the Commercial formwork and concrete division (CASC) successfully delivered the following projects;

- Completion of the concrete and formwork contract for Multiplex at the new Perth Stadium; and
- Completion of the concrete and formwork on Tower 1 and Podium Stage of the Capital Square project in the Perth CBD.

During the year, the Commercial labour division successfully delivering the following projects;

- Installation of the façade on the Crown Hotel;
- Installation of the façade on Tower 1 of the Capital Square project; and
- Installation of the façade on the Perth Stadium project.

The Commercial Division is currently experiencing high levels of operational activity, with a significant volume of works under contract, including the following:

- Supply and install of formwork and concrete on the Ritz Carlton Hotel and The Towers project at Elizabeth Quay for tier 1 contractor Probuild (contract value: \$59 million);
- Installation works on the façade of the Ritz Carlton Hotel and The Towers project at Elizabeth Quay (contract value: \$7 million);
- Supply and installation of formwork and concrete on the Westfield Carousel shopping centre redevelopment project for Scentre Group (contract value: \$27.5 million);
- Installation works on the façade work on the Perth Children's Hospital project being constructed by John Holland are ongoing;
- Considerable volume of ongoing works on the east coast, with contract values of approximately \$102 million awarded to Gallery Facades for the supply and installation of high performance architectural facades, including Y3, Melbourne Quarter and Bendigo Hospital projects in Victoria and the Darling Square South East Plot in NSW. Other contracts in progress include Swanston Central in Victoria and Sky Tower in Queensland; and
- Considerable volume of tendered and ongoing works for Summit in Victoria, including Summus Apartments, Newport, Spring Street, MCM and Royal Eye & Ear.

The outlook for this segment remains positive across the business and its operating jurisdictions. The Group is well positioned in terms of balance sheet strength, diversity of capability and reputational strength to capitalise on the growing investment pipeline within the commercial sector across Australia.

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Resource, Industrial and Oil & Gas

This segment continued to perform well in the period with revenue up 6.1% to \$50.9 million (FY16: \$47.9 million). EBITDA increased by 20.2% to \$14.4 million (FY16: \$11.9 million). Overall EBITDA margin of 28.2% was up 13.2% on the previous corresponding period. The improvement in earnings was primarily due to an increased service offering (particularly relating to operational and maintenance services and rope access services), optimised operating strategy and comparatively higher equipment utilisation rates.

The Group continues to provide its services for a number of key clients in the North West, including Woodside Energy Limited's North West Shelf Project, CITIC Pacific Mining's Sino Iron Project and for FMG's The Pilbara Infrastructure Pty Ltd. These contracts are testament to the Group's delivery capabilities and demonstrate a sustainable annuity revenue stream within the Group's services business. Additionally, the Group continues to be the exclusive supply chain partner to Kaefer, for the provision of scaffold equipment on the Ichthys project.

It is pleasing that GCS continues to demonstrate its project delivery capabilities on major contracts and continues expansion into the maintenance services sector. Our businesses and existing integrated product and services offering are well placed to support future growth opportunities in this sector.

Residential

Revenue of \$14.0 million was down 28.2% from the previous corresponding period of \$19.6 million). EBITDA of \$1.9 million was down 62.4% from the previous corresponding period of \$5.0 million. The softness of the residential housing market in Western Australia is the primary driver of this result, with revenues and earnings off peak levels across this sector. Management are continuing to monitor this segment in order to evaluate opportunities to maximise returns.

The outlook for this segment is for activity levels and performance in FY18 to remain unchanged. Whilst the overall outlook in the Western Australian housing market has come off peak levels, we are anticipating that the modest economic growth and ongoing low interest rate environment will continue to maintain and support the confidence and investment in housing which will provide a positive benefit to our operations in this sector.

Significant information needed by an investor to make an informed assessment of the Company's financial performance and financial position

Corporate

The Group is actively pursuing its geographic expansion and growth strategy with the 10 October 2016 announcement that it had completed the acquisition of a 51% stake in Gallery Façades Australia Pty Ltd. Gallery Façades designs, supplies and installs high performance architectural facades to premium commercial and residential projects across Australia.

Subsequently, on 10 April 2017, the Group announced it had signed a business sale agreement to acquire 100% of the business and assets of Summit Formwork (Aust) Pty Ltd and Summit Investment Services Pty Ltd (together "Summit"). The acquisition was completed on 11 May 2017. Headquartered in Melbourne, Summit is a leading provider of construction services, specialising in concrete, formwork and reinforcement to major commercial, residential and retail development projects in Victoria.

The Group is continuing the assessment and shortlisting of a number of key target acquisition opportunities, predominantly on the east coast of Australia.

On the 28 October 2016, GCS announced it had completed the sale of its 50% interest in SmartScaff for \$10.5 million in cash. In addition, GCS received \$7.0 million from SmartScaff as repayment of its outstanding loan.

Refinance of debt facilities

On 2 September 2016, GCS announced it had successfully completed the refinancing of its debt facilities to enhance the Group's capital structure and lower its cost of debt by circa 30%. The new \$40 million secured working capital and equipment finance facilities with CBA, and a \$22 million equipment finance facility with Toyota Fleet Management replaces the \$60 million Harrenvale Pty Ltd (formerly GE Commercial) cash advance and equipment finance facilities. These new facilities extend the Group's average debt maturity profile, lower its cost of debt, and provides a more flexible and sustainable debt structure to support and respond to growth opportunities and market conditions.

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Matters subsequent to the end of the financial year financial results

Effective 1 July 2017, Mr John Derwin was appointed as a Non-Executive Director. Mr Derwin fills the vacancy created by the retirement of Mr Sam Mangione on 30 June 2017.

No other matter or circumstance has arisen since 30 June 2017, other than the dividend declaration referred to below, that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Dividends

On 24 February 2017, pursuant to the release of the Half Year Financial Report for the period ended 31 December 2016, GCS announced it had declared an interim dividend of 1.0 cent per share fully franked. The dividend was paid to shareholders on 17 March 2017.

Reflecting the strength of the Group's financial results, financial position and outlook for the Group, the Board of Directors have resolved to declare a final dividend with respect to the year ended 30 June 2017 of 1.0 cent per share, fully franked, taking the full year dividend to 2.0 cents per share (FY16: 1.0 cents per share). The record date for entitlements to the interim dividend will be 15 September 2017 and will be paid to shareholders on 13 October 2017.

The Board will continue to monitor and review its dividend position in line with its capital management framework and strategy.

Status of the audit

This Appendix 4E and Preliminary Final Report is based on financial statements which are in the process of being audited.

Rounding

The parent entity is a company of the kind specified in ASIC Corporation Legislative Instrument 2016/191. In accordance with that class order, amounts contained in the interim consolidated financial statements have been rounded to the nearest thousand dollars (\$'000) unless specifically stated otherwise.

For an on behalf of the Board of Global Construction Services Limited



Enzo Gullotti

Group Managing Director

25 August 2017

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FOR YEAR ENDED 30 June 2017

GLOBAL CONSTRUCTION SERVICES LIMITED
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PRELIMINARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	2017 \$000	2016 \$000
Revenue from hire of equipment, provision of labour and contracting services		203,935	178,523
Sale of goods		3,763	6,026
	2	207,698	184,549
Other income		307	869
Raw materials, consumables and services		(81,446)	(58,960)
Personnel expenses		(76,277)	(77,683)
Other expenses		(11,662)	(11,144)
Occupancy		(7,504)	(7,609)
Repairs and maintenance		(1,924)	(2,034)
Depreciation and amortisation expense		(6,490)	(10,451)
Impairment expense		-	(105,735)
Finance costs		(2,735)	(3,542)
Share of profit of equity accounted investees (net of tax)	5	425	2,262
Loss on disposal of equity accounted investees	5	(528)	-
Profit/(loss) before income tax expense		19,864	(89,478)
Income tax (expense)/benefit		(7,012)	12,596
Profit/(loss) for the year		12,852	(76,882)
Other comprehensive income/(loss) for the year, net of income tax		-	-
Total comprehensive income/(loss) for the year		12,852	(76,882)
Profit/(loss) and total comprehensive income for the year attributable to:			
Owners of the Company		10,874	(76,882)
Non-controlling interests		1,978	-
Earnings/(loss) per share for profit/(loss) attributable to owners of the Company			
Basic earnings/(loss) per share		5.4¢	(38.4)¢
Diluted earnings/(loss) per share		5.4¢	(38.4)¢

The above statement should be read in conjunction with the notes to the preliminary final report.

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PRELIMINARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	2017 \$000	2016 \$000
Current Assets			
Cash and cash equivalents		31,171	20,722
Trade and other receivables		35,542	29,665
Prepayments		4,178	3,297
Inventories		8,837	2,641
Current tax assets		2,367	-
Total Current Assets		82,095	56,325
Non-Current Assets			
Other receivables		42	7,129
Investments accounted for using the equity method	5	-	10,603
Property, plant and equipment	6	116,404	104,916
Intangible assets	7	23,848	17,469
Deferred tax assets		2,868	5,072
Total Non-Current Assets		143,162	145,189
Total Assets		225,257	201,514
Current Liabilities			
Trade and other payables		22,718	11,844
Borrowings		9,354	12,350
Provisions		2,925	3,966
Deferred Income		3,001	2,936
Current tax liabilities		-	643
Total Current Liabilities		37,998	31,739
Non-Current Liabilities			
Borrowings		18,039	22,180
Provisions		15,237	3,979
Deferred tax liabilities		3,637	212
Total Non-Current Liabilities		36,913	26,371
Total Liabilities		74,911	58,110
Net Assets		150,346	143,404
Equity			
Issued capital		147,727	142,105
Reserves		140	140
Retained profits		4,022	1,159
Total Shareholders' Equity		151,889	143,404
Non-controlling interest		(1,543)	-
Total Equity		150,346	143,404

The above statement should be read in conjunction with the notes to the preliminary final report.

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PRELIMINARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Ordinary \$000	Option Reserve \$000	Retained Earnings \$000	Total Shareholders' Equity \$000	Non- Controlling Interest \$000	Total Equity \$000
Balance at 1 July 2015	142,108	140	78,041	220,289	-	220,289
Loss for the year	-	-	(76,882)	(76,882)	-	(76,882)
Total comprehensive loss for the year	-	-	(76,882)	(76,882)	-	(76,882)
Transactions with owners in their capacities as owners						
Issue of ordinary shares, net of transaction costs	-	-	-	-	-	-
Dividends paid to equity holders	-	-	-	-	-	-
Non-controlling interest on acquisition	-	-	-	-	-	-
Tax effect on share-based transaction costs	(3)	-	-	(3)	-	(3)
Balance 30 June 2016	142,105	140	1,159	143,404	-	143,404
Balance at 1 July 2016	142,105	140	1,159	143,404	-	143,404
Profit for the year	-	-	10,874	10,874	1,978	12,852
Total comprehensive income for the year	-	-	10,874	10,874	1,978	12,852
Transactions with owners in their capacities as owners						
Issue of ordinary shares, net of transaction costs	5,618	-	-	5,618	-	5,618
Dividends paid to equity holders	-	-	(8,011)	(8,011)	-	(8,011)
Non-controlling interest on acquisition	-	-	-	-	(3,521)	(3,521)
Tax effect on share-based transaction costs	4	-	-	4	-	4
Balance 30 June 2017	147,727	140	4,022	151,889	(1,543)	150,346

The above statement should be read in conjunction with the notes to the preliminary final report.

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PRELIMINARY CONSOLIDATED STATEMENT OF CASH FLOWS

	2017 \$000	2016 \$000
Cash flows from operating activities		
Receipts from customers	204,314	186,272
Payments to suppliers and employees	(180,042)	(154,828)
Income taxes paid	(5,157)	(3,221)
Net cash inflows from operating activities	19,115	28,223
Cash flows from investing activities		
Payments for acquisition of subsidiaries and controlling interests (net of cash)	(1,193)	-
Payments of contingent consideration on acquisition of subsidiaries and controlling interests	(1,090)	-
Proceeds from disposal of investment in associates	10,501	-
Payments for property, plant and equipment	(4,099)	(6,068)
Proceeds from sale of property, plant and equipment	811	488
Interest received	411	661
Proceeds from related parties	7,000	609
Net cash inflows/(outflows) from investing activities	12,341	(4,310)
Cash flows from financing activities		
Proceeds from borrowings	193	1,937
Repayment of borrowings	(10,455)	(22,403)
Interest paid	(2,734)	(3,427)
Dividends paid	(8,011)	-
Net cash outflows from financing activities	(21,007)	(23,893)
Net increase in cash and cash equivalents	10,449	20
Cash and cash equivalents at beginning of the year	20,722	20,702
Cash and cash equivalents at the end of the year	31,171	20,722

The above statement should be read in conjunction with the notes to the preliminary final report.

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NOTES TO THE PRELIMINARY FINAL REPORT

1. BASIS OF PREPARATION OF FINAL REPORT

(a) Basis of Preparation

This preliminary final report for the year ended 30 June 2017 relates to the consolidated entity consisting of Global Construction Services Limited ("GCS", "GCS Group" or "the Group") and its controlled entities.

The preliminary final report has been prepared on an accruals basis and a historical cost basis except for certain current and non-current assets and financial instruments which are measured at fair value or where otherwise stated.

Cost is based on the fair value of consideration given in exchange for assets.

This preliminary final report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual financial report of the year ended 30 June 2016 and any public announcements made by GCS Group during the year in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The amounts contained in this preliminary final report are presented in Australian dollars, the functional currency of the consolidated entity, and are rounded to the nearest thousand dollars (\$'000) where rounding is applicable under the option available to the Group under ASIC Corporation Legislative Instrument 2016/191. GCS is an entity to which the class order applies.

(b) Statement of Compliance

The preliminary final report is a general-purpose financial report and has been prepared in accordance with applicable Australian Accounting Standards, other pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001. The preliminary final report is also in compliance with ASX listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E. Australian Accounting Standards include Australian equivalents of International Reporting Standards ("AIFRS").

2. REVENUE

	30 June 2017 \$000	30 June 2016 \$000
Revenue		
Hire of equipment and related services	109,602	112,079
Contracting	94,333	66,444
Sale of goods	3,763	6,026
	207,698	184,549

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3. SEGMENT INFORMATION

Description of segments

Management has determined that strategic decision making is facilitated and enhanced by evaluation of operations on the customer segments of Commercial, Residential and Resource, Industrial, Oil & Gas. For each of the strategic operating segments, the Group Managing Director reviews internal management reports on a monthly basis.

The Managing Director assesses the performance of the operating segments based on a measure of adjusted EBITDA. This measurement excludes certain non-recurring expenditures which are of an isolated nature such as equity settled share based payments and corporate activities pertaining to the overall group including the treasury function which manages the cash and funding arrangements of the group.

GCS Group supplies an extensive range of specialised labour services and equipment including hire and sales of scaffolding, formwork, material hoists, temporary site accommodation, chemical toilets, general plant hire, temporary fencing. Together with delivery and pick up, installation and dismantling and related estimating, design and engineering services, plus supply and installation of concrete in the Commercial segment.

The following summary describes the operations in each of the group's reportable segments:

Commercial

The operations in the Commercial sector consist of supplying a range of products and services to customers involved in the construction or maintenance of commercial and mixed-use developments. These typically include office towers, high rise apartments, shopping centres, hotels, car parks, recreational buildings, and hospitals. Contracts are typically medium to long term.

Residential

The operations in the Residential sector consist of supplying a range of products and services to customers involved in the construction or maintenance of single and multi-story residential developments. These typically include houses, townhouses, units, and apartments. Contracts are generally short to medium term.

Resource, Industrial, Oil & Gas

The operations in the Resource, Industrial, Oil & Gas sector consist of supplying a range of products and services to customers involved in either construction or maintenance of the following types of projects; Oil and gas, energy, major infrastructure, mining, power generation, water treatment plants, decommissioning, shutdowns, and civil works. Contracts vary in length from short to long term.

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SEGMENT INFORMATION (continued)

Segment Information	Commercial	Residential	Resource, Industrial, Oil & Gas	Total
30 June 2017	\$000	\$000	\$000	\$000
Segment revenue from external customers	142,831	14,009	50,858	207,698
Adjusted EBITDA	19,600	1,883	14,377	35,860
Depreciation and amortisation	(3,266)	(416)	(2,035)	(5,717)
Unallocated amounts: Depreciation and amortisation				(773)
Unallocated amounts: Other revenue				307
Unallocated amounts: Corporate				(6,975)
Finance costs				(2,735)
Share of profits of equity accounted investees				425
Loss on disposal of equity accounted investees				(528)
Profit before income tax expense				19,864
Income tax expense				(7,012)
Profit after income tax expense				12,852
Assets				
Segment assets	124,539	24,299	50,118	198,956
<i>Unallocated assets:</i>				
Intersegment eliminations				(6,137)
<i>Corporate Assets:</i>				
Cash and cash equivalents				16,195
Receivables				4,691
Prepayments				298
Income tax benefit				2,367
Property, plant and equipment				5,714
Intangibles				305
Share of equity accounted investees (net of income tax)				-
Deferred tax assets				2,868
Total assets per statement of financial position				225,257
Liabilities				
Segment liabilities	55,751	2,606	11,650	70,007
<i>Unallocated liabilities</i>				
Intersegment eliminations				(6,137)
<i>Corporate liabilities</i>				
Trade and other payables				931
Current loans and borrowings				2,486
Provisions - corporate liabilities				3,987
Deferred tax liabilities				3,637
Total liabilities per statement of financial position				74,911

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SEGMENT INFORMATION (continued)

Segment Information	Commercial	Residential	Resource, Industrial, Oil & Gas	Total
30 June 2016	\$000	\$000	\$000	\$000
Segment revenue from external customers	117,077	19,556	47,916	184,549
Adjusted EBITDA	17,734	5,015	11,956	34,706
Depreciation and amortisation	(6,922)	(558)	(2,617)	(10,097)
Impairment expense	(77,239)	(648)	(21,397)	(99,284)
Unallocated amounts: Depreciation and amortisation				(354)
Unallocated amounts: Other revenue				1,544
Unallocated amounts: Impairment expense				(6,451)
Unallocated amounts: Corporate				(8,262)
Finance costs				(3,542)
Share of profits of equity accounted investees				2,262
Loss before income tax benefit				(89,478)
Income tax benefit				12,596
Loss after income tax benefit				(76,882)
Assets				
Segment assets	87,743	24,276	48,104	160,123
<i>Unallocated asset:</i>				
Intersegment eliminations				(9,595)
<i>Corporate Assets:</i>				
Cash and cash equivalents				16,931
Receivables				10,975
Prepayments				305
Property, plant and equipment				6,725
Intangibles				375
Share of equity accounted investees (net of income tax)				10,603
Deferred tax assets				5,072
Total assets per statement of financial position				201,514
Liabilities				
Segment liabilities	41,779	5,419	15,892	63,090
<i>Unallocated liabilities</i>				
Intersegment eliminations				(9,595)
<i>Corporate liabilities</i>				
Trade and other payables				939
Current loans and borrowings				(640)
Income tax (benefit)/payable				643
Provisions - corporate liabilities				3,461
Deferred tax liabilities				212
Total liabilities per statement of financial position				58,110

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4. BUSINESS COMBINATIONS

Acquisition of Controlling Interest in Gallery Facades Australia Pty Ltd and subsidiaries

On 7 October 2016 GCS acquired 51% of the issued ordinary share capital of Gallery Façades Australia Pty Ltd (formerly Podium Glazing Australia Pty Ltd) and its subsidiaries (together "Gallery" or "Gallery Façades"). Gallery Façades designs, supplies and installs high performance architectural facades to premium commercial and residential projects across Australia.

The Group has measured the non-controlling interests (NCI) in the acquired entity at the NCI proportionate share of net liabilities acquired.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Gallery Facades as at the date of acquisition were:

Fair value recognised on acquisition	\$'000
Assets	
Cash and cash equivalents	6,177
Trade and other receivables	4,139
Inventories	39
Property, plant and equipment	169
Intangibles – customer contracts	384
	10,908
Liabilities	
Trade and other payables	(7,662)
Borrowings	(16)
Deferred income	(1,713)
Provisions	(7,935)
Current tax liabilities	(653)
Deferred tax liability	(115)
	(18,094)
Total identifiable net liabilities at fair value	(7,186)
Non-controlling interest	3,521
Goodwill arising on acquisition	3,665
Purchase consideration transferred	-

GCS's investment in Gallery has been consolidated in this financial report. From the date of acquisition, Gallery Facades has contributed \$46.4 million of revenue and \$5.7 million of profit before tax from continuing operations of the Group, prior to recognition of the non-controlling interests.

Purchase consideration:

	\$'000
Purchase consideration transferred	-
Total purchase consideration	-

Analysis of cash flows on acquisition:

	\$'000
Net cash acquired with the subsidiary	6,177
Cash consideration	-
Net cash inflow on acquisition	6,177

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BUSINESS COMBINATIONS (continued)

Acquisition of Summit Business and Assets

On 10 April 2017, GCS announced it had signed a business sale agreement to acquire 100% of the business and assets of Summit Formwork (Aust) Pty Ltd and Summit Investment Services Pty Ltd (together "Summit"). The acquisition was completed on 11 May 2017.

Total consideration of \$17.3 million included initial consideration of \$12.9 million comprised of \$7.3 million in cash up-front and \$5.5 million in GCS scrip (subject to voluntary escrow provisions). Deferred consideration of \$5.5 million is subject to a cash earn-out arrangement, based on achieving EBITDA targets over a three year period.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities acquired were:

Fair value recognised on acquisition	\$'000
Assets	
Property, plant and equipment	14,422
Intangibles – customer contracts	132
	14,554
Total identifiable net assets at fair value	14,554
Goodwill arising on acquisition	2,791
Purchase consideration transferred	17,345

GCS's investment in Summit has been consolidated in this financial report. From the date of acquisition, Summit has contributed \$3.8 million of revenue and \$69,696 of profit before tax from continuing operations of the Group.

Purchase consideration

	\$'000
Shares issued, at fair value	5,632
Cash consideration	7,370
Purchase consideration transferred	13,002
Contingent consideration liability	4,343
Total consideration	17,345

Analysis of cash flows on acquisition:

	\$'000
Cash consideration	7,370
Net cash flow on acquisition	(7,370)

Contingent consideration

Contingent consideration of \$5.5 million is subject to a cash earn-out arrangement, based on achieving EBITDA targets over a three year period. The fair value of the contingent consideration recognised on acquisition of \$4.3 million was estimated by calculating the present value of the future expected cash flows. This estimate is based on a discount rate of 8.0% and assumes the the EBITDA target will be reached. The fair value of the contingent consideration has been classified as a provision.

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5. ASSOCIATE (SALE OF EQUITY INVESTMENT)

The Group's investment in its associates are accounted for using the equity method of accounting. The associates are entities which the Group has significant influence and which are neither subsidiaries or joint arrangements. The Group disposed of its investment in associate during the year, the details of which are outlined below.

	2017 \$'000	2016 \$'000
Net profits from operations of associates	425	2,262
Other comprehensive income of associates	-	-
Total comprehensive income	425	2,262

Sale of Equity Investment in SmartScaff Pty Ltd

On 28 October 2016, GCS announced the completion of the sale of its 50% interest in SmartScaff Pty Ltd to the remaining shareholders for \$10.5 million in cash. In addition, upon settlement GCS received \$7.0 million from SmartScaff as repayment of its outstanding loan with GCS.

	\$'000
Opening carrying value of investment – 1 July 2016	10,603
Current period profit	425
Consideration received	10,500
Loss on sale of investment	(528)

6. PROPERTY, PLANT & EQUIPMENT

	Land \$000	Buildings & Leasehold Improvements \$000	Office & Computer Equipment \$000	Motor Vehicles \$000	Plant & Rental Equipment \$000	Total \$000
Year Ended 30 June 2017						
Opening net book amount	5,295	2,516	555	1,785	94,765	104,916
Additions	-	36	157	404	19,449	20,046
Disposals	(469)	(421)	(25)	(125)	(1,995)	(3,035)
Depreciation charge	-	(316)	(280)	(494)	(4,433)	(5,523)
Closing net book amount	4,826	1,815	407	1,570	107,786	116,404

7. INTANGIBLE ASSETS

	Goodwill \$000	Other Intangibles \$000	Total \$000
Year Ended 30 June 2017			
Opening net book amount	17,088	381	17,469
Additions	6,456	890	7,346
Amortisation/impairment expense	-	(967)	(967)
Closing net book amount	23,544	304	23,848

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8. CONTINGENCIES

As at 30 June 2017 the Group has no material contingent liabilities or contingent assets, other than those already disclosed in this report.

9. EVENTS AFTER REPORTING DATE

Effective 1 July 2017, Mr John Derwin was appointed as a Non-Executive Director. Mr Derwin fills the vacancy created by the retirement of Mr Sam Mangione on 30 June 2017.

Reflecting the strength of the Group's financial results, financial position and outlook for the Group, the Board of Directors have resolved to declare a final dividend with respect to the year ended 30 June 2017 of 1.0 cent per share, fully franked, taking the full year dividend to 2.0 cents per share (FY16: 1.0 cents per share). The record date for entitlements to the interim dividend will be 15 September 2017 and will be paid to shareholders on 13 October 2017.

No other matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

A handwritten signature in black ink, appearing to read 'E. Gullotti', is located above the name of the Group Managing Director.

Enzo Gullotti
Group Managing Director

25 August 2017