**ASX / MEDIA ANNOUNCEMENT**
**25 August 2011**

## GCS INCREASES NET PROFIT AFTER TAX by 70% to $19.4m

Highlights of financial results for FY11

- NPAT up 70% to $19.4 million
- Revenue up 60% to $146.5 million
- 59% increase in Earnings per share to 20.8 cents. Full year fully franked dividend of 8.25 cents
- GIS acquisition and footprint expansion positions GCS for future growth

Construction services group Global Construction Services Limited (**ASX: GCS, "GCS Group"**) today announced a $19.4 million net profit for FY11, an increase of 70% from the previous year.

Strong performances in key divisions and progress on major projects delivered significant improvements in FY11 earnings for the GCS Group. FY11 saw significant investments including the acquisition of specialised labour hire company, Global Industrial Services Pty Ltd in June 2011. GCS's geographical footprint has been expanded with the opening of additional operations in the Northwest and Midwest of Western Australia. An increased program of capital investment in the Hire Division has now placed GCS to capture new revenue streams from a diverse range of customers.

The FY11 profit – up 70% on FY10 – was achieved on group revenue of $146.5 million, an increase of 60%.

Group EBITDA for FY11 was $38.0 million (FY10: $23.3 million), with operating margins increasing to 26.2% (FY10: 25.7%).

Earnings per share was 20.8 cents (13.1 cents previously) and the board has maintained a payout ratio of more than 40%, in line with its stated objectives. The total fully franked dividend for the year is 8.25 cents (5.5 cents previously).

The directors have recommended the payment of a fully franked final dividend for FY11 of 4.50 cents per share, with a record date of 12 September 2011, to be paid on 26 September 2011. The Company Dividend Reinvestment Plan (DRP) will apply to this dividend, providing shareholders with the option to reinvest all or part of their eligible dividends at a price established by applying the 5 day VWAP up to and including the record date.

GCS Group Managing Director Enzo Gullotti said the FY11 result was an outstanding achievement in light of continuing competitive pressures in a number of the Company's markets.

"The result has been driven by strong performances by a number of the Group's businesses and the achievement of key milestones on major projects including the West Australian Department of Health's flagship Fiona Stanley Hospital."

"In FY11 we have invested in expanding our geographical footprint in the Northwest and Midwest regions of Western Australia, coupled with a significant capital expenditure program to expand our product offering. The platform has now been firmly established to steer the GCS Group to take advantage of the significant growth opportunities in our key markets."

Mr Gullotti said “The acquisition of Global Industrial Services Pty Ltd (GIS) in June 2011 will play a pivotal role in opening up future opportunities and complementing the group’s core business units, especially by leveraging key customer relationships and enabling the group to offer an integrated service offering.”

Key contracts in the Commercial division were an underlying driver of FY11’s growth. Increased contributions from the equipment hire operations and strong demand of temporary site units also played a major role in underpinning the strong result.

The Resource & Industrial division experienced an improvement in its level of activity as new projects are slowly starting to come online. The division is continuing to explore and tender on a significant pipeline of new and committed projects.

The Residential division continued to grow its market share in a depressed housing market and in the face of fierce pricing competition. A superior product and service offering to key customers saw this division contribute satisfactory returns in FY11.

“GCS now has the scale to take greater advantage of the major business opportunities on offer over the coming periods,” said Mr Gullotti. .

Mr Gullotti said “The addition of key executives in FY11 will further enable GCS to continue to grow and explore new opportunities that will drive shareholder value and strategically fit and complement the group.”

-ENDS-

**About GCS Group**

GCS Group (ASX: GCS) is a diversified construction services company that supplies an extensive range of labour services and equipment to the construction and maintenance industries including hire and sales of scaffolding, formwork, material hoists, temporary accommodation, temporary fencing and general plant hire together with related design services.

GCS Group’s strategy for growth is to focus primarily on servicing the West Australian construction, oil and gas and mining services sectors. In addition, the Company intends to explore opportunities in new markets, diversify into related industry sectors and acquire selected new businesses that create value for shareholders.

Further Information

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