ASX MEDIA ANNOUNCEMENT

30 May 2014

MARKET UPDATE

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

As a result of the challenging market conditions in the West Australian economy and with the continued delay of the letting of major projects, the GCS Group EBITDA for FY14 on a normalised unaudited basis is expected to be in the range of $28.5m - $30m. The Net debt to equity ratio is expected to be approximately 35% at the end of FY14.

Further to the above normalised result, GCS will allow for a doubtful debt provision of $1.5m which relates to the collapse of the Forge Group. This provision is not working capital related or in relation to funds invested in the Forge contract but instead relates to revenue foregone.

As noted during our Half Year announcement to the ASX on 27 February 2014, the Group's focus on rebuilding its balance sheet by reducing debt, improving net debt to equity ratio and enhancing efficiencies by way of restructuring internal divisions is continuing.

OUTLOOK

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. This will have a positive flow on effect to our revenues and margins in FY15.

Activity levels in the residential sector are currently at an all-time high, and we envisage this will continue throughout FY15.

Oil & Gas opportunities remain buoyant and we are pleased to confirm the initial despatch of scaffolding equipment onto the Inpex Ichthys Project.

Our East coast JV – SmartScaff has experienced significant growth and demand throughout FY14 and this trend is expected to continue in to FY15.

We are confident the business is well placed to improve performance and take advantage of the significant pipeline of new project opportunities in FY15 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 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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