



Activities Report & Cash Flow Statement
For the 3 months ending 31 December 2017

Quarterly Activities and Cash Flow Statement

For the three months ending 31 December 2017

31 January 2018

MCS Services Limited (**MCS**) (ASX: **MSG**) is pleased to present its Activities Report and Appendix 4C for the three months ending 31 December 2017.

Key highlights during the quarter to 31 December 2017:

- Won the new Perth Stadium asset security services contract for an initial period of three years against strong national competition.
- Won new retail, commercial, Local Government and private school contracts.
- Increased the pipeline of new contract opportunities through a focus on business development.
- Continued to provide working capital and management for contracts recently acquired from State Security (WA) Pty Ltd.
- Continued to focus on improving all aspects of operations including:
 - o moving towards ISO Quality Management accreditation;
 - o diversification, primarily through organic growth; and
 - o improving efficiency by enhancing systems and processes.
- Declared and paid a dividend of 0.1 cents per share (a yield of 4.2% on the relevant closing share price), with cash dividends paid of \$0.15 million.
- Bought back and cancelled 18 million shares, representing 8.7% of the then share capital, for \$0.06 million.

Cash and net receivables totaled \$2.3 million as at 31 December 2017 comprising cash of \$0.35 million and net receivables of \$1.9 million.

Cash balances were affected by:

- provision of working capital for training and commencement of work at the Perth Stadium; and
- a seasonal reduction in customer receipts in the latter part of December over the Christmas / New Year period.

The Company anticipates improved trading in the 2nd half of the Financial Year through traditional seasonal uplifts in workflows and the new Perth Stadium contract.

Yours faithfully,



Paul R. Simmons
Chief Executive Officer
MCS Services Limited

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About MCS Services Limited

For further information, please contact:

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| Corporate/Operational | Paul Simmons, Chief Executive Officer | +61 (8) 9301 2420 |
| Investors/Analysts | Mark Englebert, Chief Financial Officer | +61 (8) 9301 2420 |

MCS Services Limited is a Company listed on the Australian Securities Exchange (ASX: **MSG**). The Company is one of the largest fully integrated security providers in Western Australia, employing over 500 operational staff and supervisors. MCS Services specialises in asset security at government offices and facilities, major commercial property sites, retail shopping centres, sports stadiums, construction sites, ancillary sites and major outdoor events throughout Western Australia.

Visit the Company's website (www.mcssecurity.com.au) and see the Company's latest announcements [here](#) for more details.

Forward-Looking Statements

This document includes forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning MCS Services Limited's planned activities, operations, expectations and other statements that are not historical facts. When used in this announcement, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should," and any other similar expressions are forward-looking statements. Although MCS Services Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. All figures presented in this document are unaudited and this document does not contain any forecasts of profitability or loss.

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