



1st February 2010

The Manager
Company Announcements
Australian Securities Exchange Limited
4th Floor, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir

BUSINESS UPDATE

HIGHLIGHTS

- Cash position at the end of December 2009 stronger than anticipated
- Previously announced contract sales in Qatar will shortly start being delivered , which will significantly add to cash reserves
- Increasing activity in Perth is driving demand for gear out of the yard onto sites
- Major opportunities are emerging in Asia and Australia with significant anticipated success in 2010
- Newly appointed Managing Director, Scott Williams and CFO, Stuart Usher are undertaking a major review of operations

The Directors of IFS Construction Services (ASX:IFS) report that further to the Revised 2009 Result Guidance which was issued to the market on 24 December 2009, the company's cash position as at 31 December 2009 has been confirmed at \$1.1 million which is significantly ahead of the forecast level of about \$0.6 million.

The business outlook is improving due to increased construction activity in the Perth market, progress on delivery of equipment to major projects in Qatar and the aggressive management of working capital.

Hire Access has been successful in securing a significant number of new jobs in the Perth metropolitan area on a range of commercial, residential and civil projects. As a result, equipment utilisation rates are improving with a positive impact on cash flow and profitability. The Perth construction market is expected to considerably strengthen over the next two years, with a strong likelihood that it will reach activity levels previously seen prior to the GFC. This will be a direct flow-on from the next phase of the resources development boom that is currently gathering pace in Western Australia. The company remains confident that it will secure significant scaffolding and formwork contracts on these projects as it is well positioned in the market.

The first construction contracts at the Gorgon project have been awarded, and the successful contractors and project managers will progressively appoint sub-contractors, including formwork and scaffolding, over the next few months.



Perth

Sydney

Singapore

Bahrain

Group: International Formwork & Scaffolding Pty Ltd | Hire Access Pty Ltd

International Formwork & Scaffolding Pte Ltd | International Formwork & Scaffolding LTD SPC

Web: www.iformscaff.com ABN 35 107 371 460





Late in 2009, the company announced that it had secured two contracts to supply, on a sale basis, IFS Shoring Systems for a bridge deck support with wall, formwork and special custom design of steel column formwork at the multi-billion dollar Qatar Airport development. The equipment for these contracts will shortly be delivered and will generate \$1.3 million revenue and positively contribute to cash flow and profit.

These contracts were the first to be secured by IFS in the Middle East and the company is excited about the opportunities in this region where a large number of high-value industrial and infrastructure projects are underway or planned.

Doug Weir, IFS International Sales & Operations Director has recently toured Asia meeting clients, contractors and other building industry figures and is very confident about the company's prospects in this region. The company's strategic plan will focus on opportunities in overseas markets and even greater efforts will be devoted over the coming months to expanding in this region.

On 1 January 2010, Scott Williams assumed the role of Managing Director and Stuart Usher assumed the role of CFO. Scott and Stuart were part of the management team responsible for guiding the successful merger of International Formwork and Scaffolding, Hire Access and Advanced Ocular Systems Ltd. Together, they bring extensive construction industry, business development, management and financial experience to IFS and will guide and position the company to capture the growth opportunities that are clearly emerging in Australia, Asia and the Middle East.

Scott was the founder and Managing Director of Hire Access and over a period of 10 years established the business as one of the leading scaffolding suppliers in Perth with a high level of service and innovation. He has an intimate knowledge of the local construction market and has strong relationships with key industry participants. He has built up a depth of entrepreneurial skill and leadership in his 30 years within the construction industry. Scott is a registered builder and saw a need to bring a greater understanding of the challenges of applying scaffolding and formwork to building and engineering projects, and thereby provide better solutions for difficult situations. His depth of understanding of construction and engineering means that scaffolding and formwork solutions are designed to provide a cost effective outcome to the whole project, and more accurately solve difficult access problems from a client's perspective. In the position of IFS Managing Director, Scott shares his vision of providing safe and innovative solutions to the construction industry and offers his respectable experiences to create valuable returns for IFS shareholders.

Stuart has extensive corporate and financial experience across many industries after training in audit & advisory services in a chartered accounting firm, manufacturing, biotech, mineral exploration and has considerable experience in finance, M&A, investor relations, corporate governance and compliance. Stuart has been providing specialist financial and corporate consulting services to a number of public and private companies, skills brought together after being a partner in a corporate advisory company for 4 years.

Scott and Stuart are currently undertaking a major review of the IFS' operations with a view to positioning the company to capture the opportunities that are emerging as construction markets recover and previously deferred industrial and resources developments move forward. This full operational review will establish priorities, financial budgets and define the company's path to sustainable profitable growth.





IFS Construction Services Managing Director, Scott Williams said

“The immediate priority is to tightly manage cash flow and rebuild cash resources to enable the company to pursue its growth strategies. Construction markets are now recovering and our challenge is to prioritise the exceptional opportunities that are becoming available in each of IFS’ core markets.”

Contact

Stuart Usher
Chief Financial Officer

08 6253 6888

About IFS:

IFS Construction Services (IFS) provides scaffolding and formwork services to the building and engineering construction industry.

International Formwork and Scaffolding was established in January 2008 by a group of executives who had previously been pivotal in the development of the then industry leader PCH Group Ltd, which was taken over by UK based Cape Industrial PLC in December 2007. IFS have established offices in Perth, Sydney, Singapore and Bahrain to provide a comprehensive regional service.

In September 2008, Perth based Hire Access Scaffold, which has been providing scaffolding services in Western Australia since 2000, was acquired and the two businesses were subsequently merged. In July 2009, IFS merged with ASX listed Advanced Ocular Systems Ltd and was then renamed as IFS Construction Services Limited (ASX code: IFS).

Visit the IFS website at www.ifsgroup.net.au for further information.



Perth

Sydney

Singapore

Bahrain

Group: International Formwork & Scaffolding Pty Ltd | Hire Access Pty Ltd

International Formwork & Scaffolding Pte Ltd | International Formwork & Scaffolding LTD SPC

Web: www.ifformscaff.com ABN 35 107 371 460

