

23 August 2012

Company Announcement Office
Australian Stock Exchange
Level 10, 20 Bond Street
SYDNEY NSW 2000

By ASX Online

2012 FULL YEAR RESULTS PRESENTATION

Please find attached a copy of the 2012 Annual Results Presentation to be issued today by Decmil Group Limited as part of the company's full year 2012 results release.

Yours sincerely



Justine Campbell
CFO & Company Secretary

20 Parkland Road
Osborne Park, Western Australia 6017

T: +61 8 9368 8877
F: +61 8 9368 8878

Postal Address
PO Box 1233, Osborne Park WA 6916
enquiries@decmil.com.au
www.decmilgroup.com.au

ASX DCG
ABN 35 111 210 390



2012

FULL YEAR RESULTS

A RECORD YEAR OF GROWTH

A RECORD YEAR OF GROWTH

FINANCIAL HIGHLIGHTS

- Sales revenue up 41% to \$555.6m
- EBITDA up 57% to \$55.7m
- Net profit up 66% to \$39.1m
- Earnings per share up 40% to 26.5c
- Cash on hand up 120% to \$141.4m
- Admitted to ASX 200 in April 2012

OPERATIONAL HIGHLIGHTS

- \$550m in new contracts / extensions (awarded)
- Total order book of approx. \$400m, at 1 July 2012 excl. Calliope
- Staff numbers grew to 1,270 to meet customer demand
- Improved safety performance – TRIFR down 34%

STRATEGIC HIGHLIGHTS

- Maintained leadership position in core capabilities
- Extended focus on developing long term revenues
- Moved to 100% ownership of Calliope Village – 13 August
- 5 Year Strategy Framework completed for growth of DGL beyond capex cycle – now moving to implementation



2012

FINANCIAL RESULTS

FINANCIAL HIGHLIGHTS

		FY 12	FY 11	Change
Revenue	\$m	555.6	394.2	+41%
EBITDA ¹	\$m	55.7	35.4	+57%
NPAT	\$m	39.1	23.5	+66%
NPAT Margin	%	7.0%	6.0%	+17%
Operating Cash Flow	\$m	80.0	28.9	+177%
EPS (Basic)	cps	26.5	18.9	+40%
Full year dividend	cps	10	6	+67%

1. EBITDA reconciliation located on slide 31

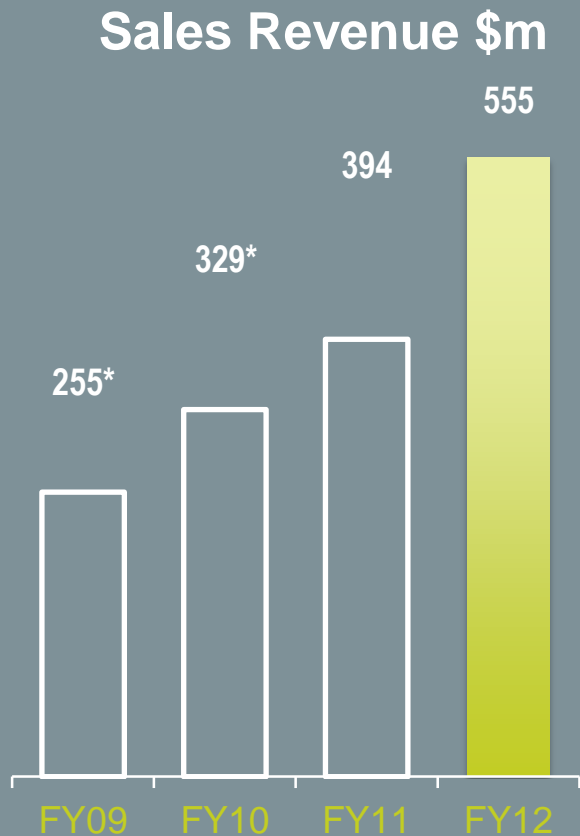
STRONG CASH POSITION

			FY 12	FY 11	Change
Gross Cash ¹		\$m	141.4	64.4	+120%
Debt ²		\$m	15.9	7.9	+99%
Net Cash Position		\$m	125.5	56.5	+122%
Bank Guarantees & Performance Bonds	Utilised	\$m	86.8	66.3	+31%
	Available	\$m	78.2	72.2	+8%
CAPEX ³		\$m	6.3	4.0	+57%

- Exceptional cash position allows funding future capex & growth opportunities
- Maintained low gearing model
- Sufficient bonding facilities to support future growth
- Operating business requires minimal capex

1. Includes balance of capital raising proceeds of \$20M yet to be utilised in the construction of Calliope Accommodation Village
 2. Increase in debt relates to the Office Building purchase
 3. Capex excludes Office Building purchase and construction

RECORD REVENUE



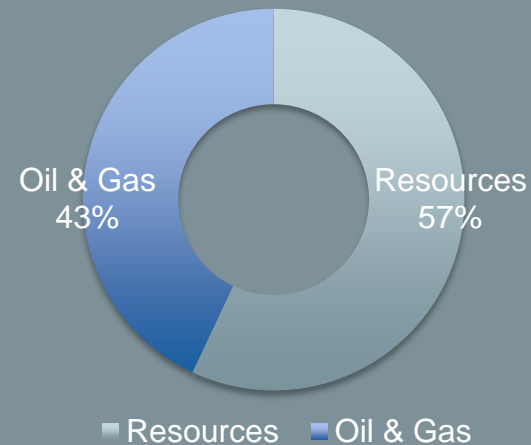
*FY figures relate to continuing operations

- Record revenues of \$555.6 million
- One of Australia's fastest growing building and construction companies
- \$550 million in new contracts and contract extensions on existing projects to June 2012
- Disciplined approach to maintaining economic margins on tenders
- Healthy pipeline with significant tender opportunities

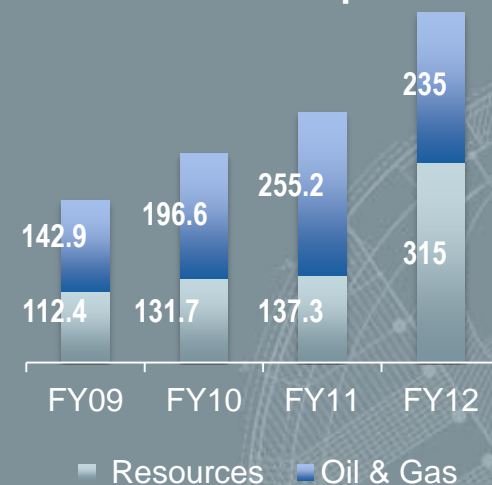
DIVERSIFIED REVENUE STREAMS

- Diversification of income a significant strength of business model
- Increasing exposure to the oil & gas sector a major strategic focus
- Decmil has successfully worked on all WA's major Oil & Gas projects
- Recurring revenue stream developed for the future

Industry

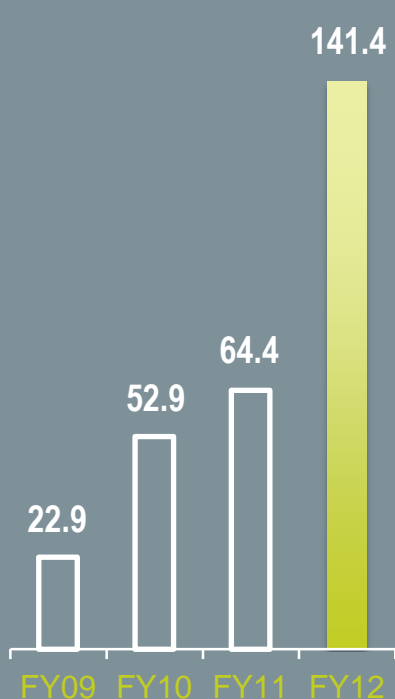


Revenue Split

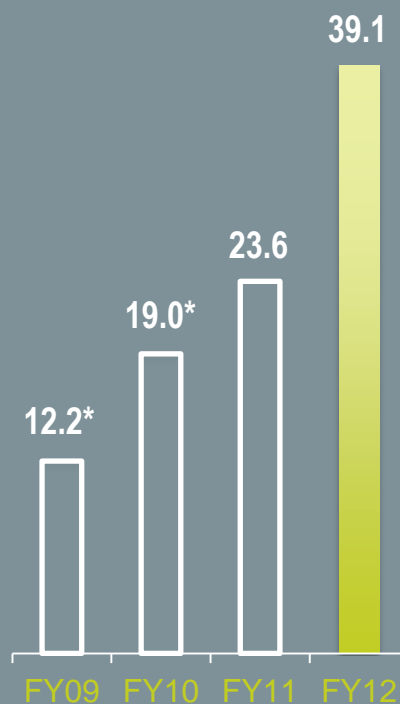


OUTSTANDING PERFORMANCE

Cash on Hand \$m

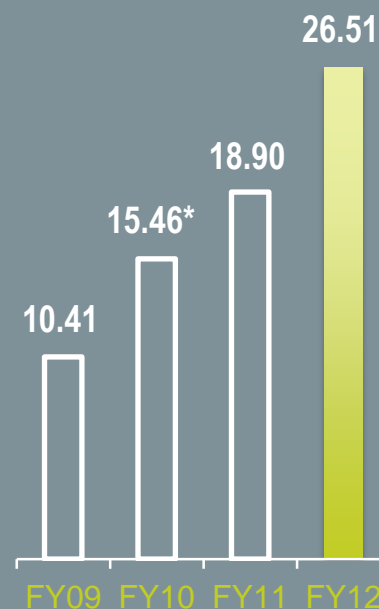


NPAT \$m



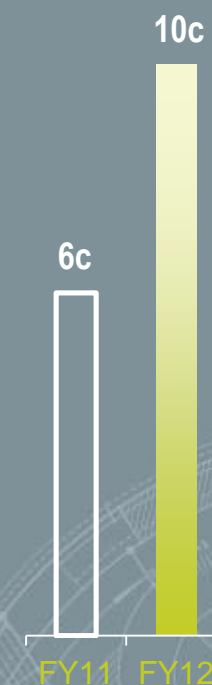
* Normalised

EPS cents per share



* Normalised

Dividends





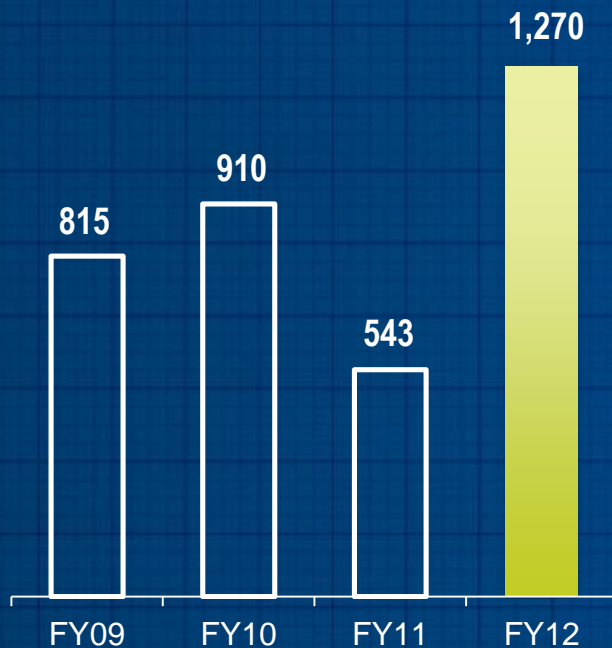
2012

OPERATING HIGHLIGHTS

PEOPLE

Employee numbers continue to rise to meet demand for core services

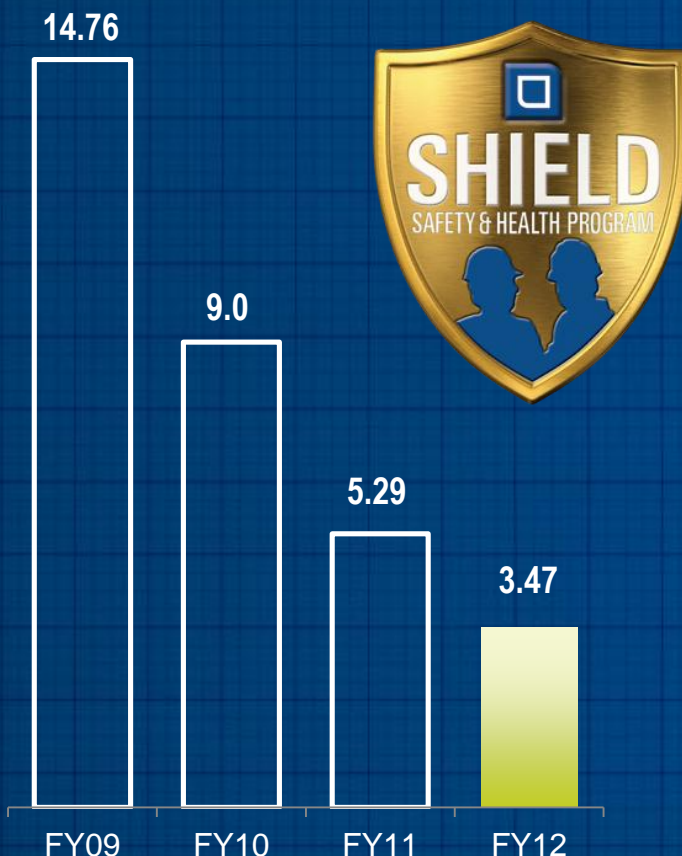
Decmil Employee Numbers



- **First major Queensland project fully resourced by experienced DGL personnel to ensure seamless transfer of culture**
- **Increased focus on social media and internal referrals to attract new staff**
- **HR teams bolstered to support major civil contracts and Queensland growth**
- **Performance incentives deliver excellent retention results**
- **Career Pathway programs generating an increase in business capability – >60% of salaried personnel engaged in structured career pathways programs**

HEALTH, SAFETY AND ENVIRONMENT

Total Recordable Incident Frequency Rate (TRIFR)



Exceptional safety performance across group

- TRIFR target of <4 achieved for FY12
- 34% reduction in TRIFR on FY11

Industry recognition

- Safe Work Australia Awards 2011 Highly Commended Award for our Safety & Health Management System – Private Sector

Range of initiatives to support safety including:

- Mental and physical health clinics
- FIFO support workshop for employees and immediate family members
- SHIELD Leadership Development Program

CORPORATE ENTERPRISE

- **Continued investment to build enterprise systems and processes** facilitate a national enterprise with consistency across multiple regional locations including “Cloud Solutions”, video conferencing and disaster recovery system
- **Investment in new Construction Estimating Software**, standardising estimating practices across regional locations and building streams; integration with project cost control system
- **E-Learning system launched;** Training library online, user friendly, cost effective
- **Enhanced Construction Schedule development and monitoring during project lifecycle**
 - Alignment to project estimate and automated project controls
- **Consolidation of online Vendor Portal**, management of registration and evaluation process, document management and receipt of quotations
- **Deployment of E-Recruitment System**, building on candidate database and streamlining the recruitment process



CURRENT PROJECTS

CURRENT PROJECTS



Karntama Village

Client	Fortescue Metals Group
Value	\$137 million
Details	Design and construct 1,600 room accommodation village



Gorgon LNG Project

Client	Thiess Pty Ltd
Value	\$74 million
Details	Design and construct temporary construction warehouses, transportable buildings and workshops.

CURRENT PROJECTS



Gorgon Construction Village

Client	Chevron Australia Pty Ltd
Value	\$774 million (Decmil \$258 million)
Details	Design and construct 4,006 person accommodation village on Barrow Island.



Pluto LNG, Civil

Client	Woodside Energy
Value	\$400+ million
Details	Supply and install concrete foundations and pedestals, in-ground electrical & hydraulic services. Construction of temporary site facilities & misc civil works.

CURRENT PROJECTS



Warrawandu Village

Client BHP Billiton

Value \$100 million

Details Design and construct 1,320 room village and EPCM facilities.



Wheatstone LNG Project Fly Camp

Client Chevron

Value \$117 million

Details Design, procurement and construction of a 1,056 person Fly Camp and central facilities including kitchen and offices, installation of utilities and waste water treatment plant.

CURRENT PROJECTS



Christmas Creek Airstrip

Client Fortescue Metals Group

Value \$30 million

Details Design, procurement, construction and commissioning of a CASA compliant airport facility at Christmas Creek mine situated in the Pilbara region of WA.



Buffel Park Construction Village

Client BHP Billiton Mitsubishi Alliance (BMA)

Value \$90 million

Details Construction and installation of infrastructure and 1,500 person accommodation facilities for the Caval Ridge Coal Project located in the Bowen Basin.

CURRENT PROJECTS



Rowley Yard & Locomotive Facility

Client Fortescue Metals Group

Value \$51 million

Details Construction of the new Rail Car Workshop at Rowley Yard, FMG's service hub for rail operations and modifications to the existing Workshop along with the construction of a new Administration Building at Kanyirri



Rail Camp 25A

Client Fortescue Metals Group

Value \$66 million

Details Construction of a 714 man camp at FMG Change 25 including concrete foundation works and construction of footpaths.



CALLIOPE VILLAGE GLADSTONE

CALLIOPE VILLAGE - GLADSTONE



Major points

- Demand for accommodation in Gladstone continues to build strongly and in line with the ramp in construction of major projects in the Gladstone Port region
- On 13 August 2012 DGL acquired the remaining 50% of the Calliope Village from the Maroon Group – Total consideration circa \$18 million
- Cash consideration (and thereby additional investment) of \$15 million, payable as to:
 - \$12 million on 13 August 2012
 - \$3 million on 21 December 2012
- Non-cash consideration of debt forgiveness of ~\$3 million

CALLIOPE VILLAGE - GLADSTONE



Financial Impacts of moving to 100%

- Further cash investment of only \$15 million
- Full consolidation of revenue and profit for DGL
- Decmil Australia revenue of ~\$65 million and associated margin eliminates on consolidation
- Debt (whilst having recourse only to asset) consolidates to DGL balance sheet
- Capex to complete of ~\$150 million, assumed to be funded by DGL cash reserves as to \$77 million and debt funding as to \$81 million
- As take or pay contracts are executed, DGL will look to optimize the capital structure of the village through recycling DGL equity investment through raising asset-specific debt on a non-recourse basis

CALLIOPE VILLAGE - GLADSTONE



Operational Programme

- Build out of Northern Precinct, totalling 1,392 rooms, by end of calendar 2012 / Jan 2013
- Build out of Southern Precinct, a further 873 rooms, to bring total rooms to 2,265, by mid-calendar 2013
- Facilities management operating to plan and consistently achieving positive feedback from customers as to quality and service





CORE CAPABILITIES & STRATEGIC POSITIONING

COMPANY CAPABILITIES

Decmil Group aims to be Australia's leading diversified construction company, delivering sustainable growth through our continued focus on all relationships

EXISTING CAPABILITIES

+ DIVERSIFICATION

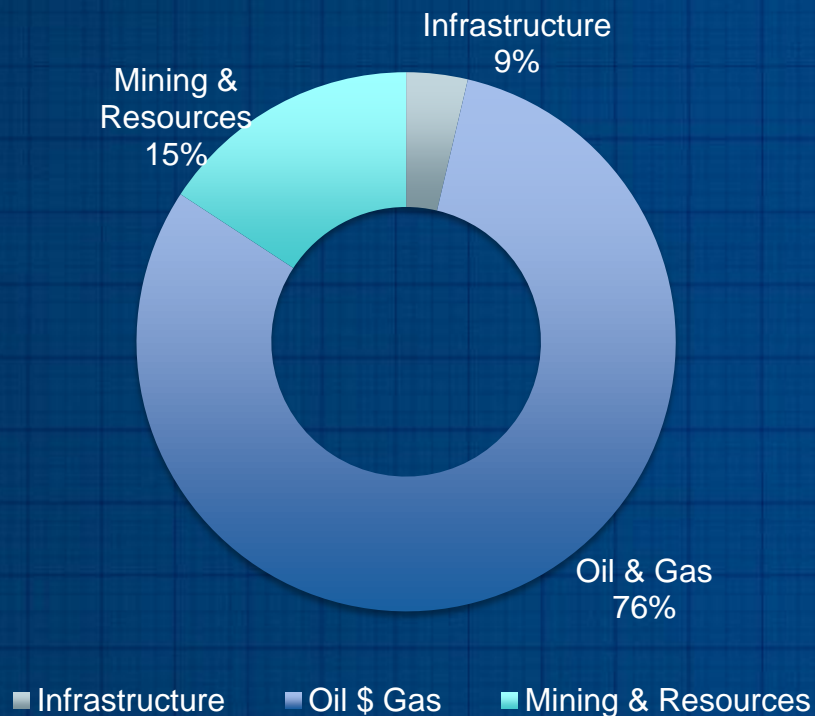
CIVIL CONSTRUCTION	BUILDING CONSTRUCTION		MAINTENANCE & OPERATIONS	INFRASTRUCTURE
	Non-Process	Accommodation	Recurring earnings stream	
				
Small & large-scale brownfield greenfield civil concrete	Industrial buildings, plants, storage facilities & workshops	Design & construct permanent and temporary accommodation facilities	Build-Own-Operate accommodation villages	Civil infrastructure services
Resources Oil & Gas	Resources Oil & Gas Government	Resources Oil & Gas	Resources Oil & Gas Infrastructure Providers	Resources Oil & Gas Government Utility Providers



OUTLOOK – 2013 AND BEYOND

PROJECT PIPELINE

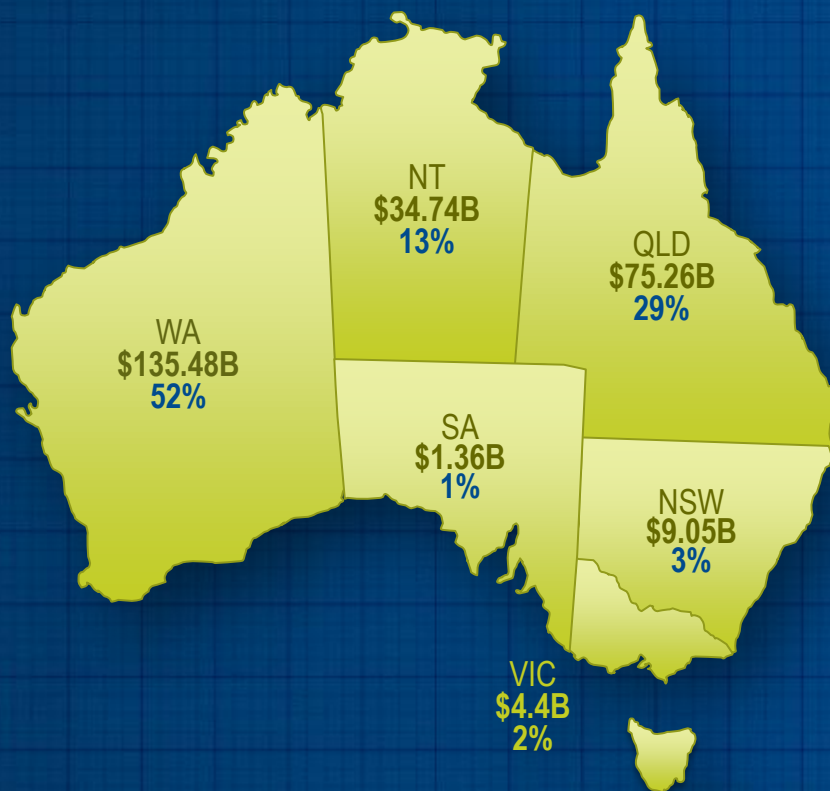
Committed projects, by Commodity



- **DGL key sectors – Mineral Resources and Oil & Gas**
- **Very strong increase in oil & gas (energy) projects**
- **Record value of advanced minerals and energy projects**
 - Chevron Wheatstone \$29b
 - Inpex Ichthys \$36b
 - Woodside Browse (future) \$30b
 - Arrow/Santos/BG/ APLNG
Curtis Island LNG \$60b

PROJECT PIPELINE

Committed projects, by State



- 5 year forecast - major project capex is A\$503 billion
- Across 393 projects
- 12% increase in CAPEX since October 2011

CAPEX Forecast Australia (2012 – 2017)

Resources	\$38.6B
Oil & Gas	\$197B
Infrastructure (rail, port & terminal)	\$24.7B
Total CAPEX	\$503B
Committed	\$260B
Not Yet Committed	\$243B

STRATEGIC GROWTH

- **Operating Performance**

- Commitment to risk management and cost discipline unchanged
- Building high level competencies in all skill lines throughout the organisation
- Significant ongoing investment in people, systems and processes

- **Future Growth**

- Maintain focus on organic growth in core markets in Western Australia
- Identify and assess opportunities to leverage expertise and experience in core markets in Queensland and the Northern Territory
- Continue to develop recurring revenue stream as part of diversification strategy
- Increase focus on diversification into civil infrastructure services
 - Power, water and roads

POSITIONED FOR FURTHER GROWTH



- **DGL enters FY 2013 well positioned for growth**
 - Record order book of \$400m (July 2012) – excludes Calliope revenue
 - Significant tendering activity continues however slowdown in resources expansion anticipated
 - Strong, long-term relationships with Tier 1 clients
 - Focus on maintaining performance and profitability
- **Diversified earnings including increased exposure to oil & gas sector**
 - Major LNG projects coming on stream from 2014
 - Anticipating significant contribution to future revenues
- **Diversity of business model remains key strength**
- **Experienced, stable and risk focused management team**

DISCLAIMER

This presentation should not be relied on as a representation of any matter that a potential investor or their adviser should consider in evaluating the Company. Potential investors must make their own independent assessment and investigation of the matter contained herein and should not rely on any statement or the adequacy or accuracy of the information provided.

The Company and its related bodies corporate or any its Directors, agents, officers or employees do not make any representation or warranty, express or implied, as to or endorsement of the Company, the accuracy or completeness of any information, statements or representations contained in the presentation, and they do not accept any liability whatsoever (including in negligence) for any information, representation or statement made in or omitted from this presentation.

This document contains certain forward looking statements which involve known and unknown risks, delays and uncertainties not under the Company's control which may cause actual results performance or Company's results, achievements of the Company to be materially different from the results, performance or expectations implied by these forward looking statements. The Company makes no representation or warranty, express or implied, as to or endorsement of the accuracy or completeness of any information, statements or representations contained in this presentation with respect to the Company.

NON-IFRS FINANCIAL INFORMATION

Decmil Group Limited results are reported under International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The Company discloses certain non-IFRS measures that are not prepared in accordance with IFRS and therefore are considered non-IFRS financial measures. The non-IFRS measures should only be considered in addition to and not as a substitute for, other measures of financial performance prepared in accordance with IFRS.

EBITDA is a non-IFRS earnings measure which does not have any standardised meaning prescribed by IFRS and therefore may not be comparable to EBITDA presented by other companies. EBITDA represents earnings before interest, income taxes, depreciation and amortisation. This measure is important to management when used as an additional means to evaluate the Company's performance.

EBITDA Reconciliation	FY 12 \$000	FY 11 \$000
Net profit after tax	39,056	23,480
Add: Income tax expense	16,907	9,851
Add: Interest expense	704	503
Less: Interest received	(5,247)	(2,107)
Add: Depreciation expense	4,271	3,708
Add: Amortisation expense	-	-
EBITDA	55,691	35,435



THANK YOU