

**ASX / MEDIA ANNOUNCEMENT  
23 AUGUST 2012**

## RECORD PROFIT FOR DECMIL GROUP LIMITED

### Key Points:

- Revenue \$555.6 million, up 41%
- NPAT \$39.1 million, up 66%
- Earnings per share 26.5 cps, up 40%
- Cash on hand \$141.4 million, up 120%
- Final dividend declared – 7.5 cents fully franked
- Total order book approx. \$400 million, at 1 July 2012 excl. Calliope
- Continued strong outlook with a solid pipeline of projects

Leading design, civil engineering and construction company Decmil Group Limited (ASX: DCG) has continued to deliver another year of strong growth, today announcing record sales and profit result for the full year ended 30 June 2012.

The Company reported a net profit after tax of \$39.1 million (up 66% on the previous year) on revenues of \$555.6 million (up 41% on FY 2011).

The strong result reflects ongoing demand for the Company's core services from the major mining and oil & gas companies who are driving Australia's significant resource projects.

	<b>FY 2012</b>	<b>FY 2011</b>	<b>Change</b>
<b>Revenue</b>	<b>\$555.6M</b>	\$394.2M	+41%
<b>EBITDA</b>	<b>\$55.7M</b>	\$35.4M	+57%
<b>NPAT</b>	<b>\$39.1M</b>	\$23.5M	+66%
<b>NPAT margin</b>	<b>7.0%</b>	6.0%	+17%
<b>Earnings per share (basic)</b>	<b>26.5cps</b>	18.9cps	+40%
<b>Cash on hand</b>	<b>\$141.4M</b>	\$64.4M	+120%
<b>Return on equity<sup>1</sup></b>	<b>17.3%</b>	20.6%	-16%
<b>Dividend per share</b>	<b>10cps</b>	6cps	+67%

<sup>1</sup> FY12 ROE lower due to capital raising

CEO Scott Criddle said: "This has been a record year for growth and profitability for the Company.

"Over the past 12 months we have made real progress in growing our existing relationships with Tier 1 operators in the industry and expanding the business from our Western Australian roots into a true national business.

"We now have extensive operations in Queensland, including the major accommodation village we are developing and managing near Gladstone which in future years will deliver a recurring revenue stream to Decmil.

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“We have also worked hard to increase our exposure to the oil & gas sector, which is a major strategic focus for the Company as we look to build on these results in 2013 and beyond.

“With many of the nation’s largest LNG projects coming on stream from 2014, our exposure to that sector will be a significant contributor to our future revenues.

“The Company’s growth over the past year has led us to our admission to the S&P/ASX200 Index, reflecting our market capitalisation and growing market interest in the Decmil story.”

Over the past year Decmil has been awarded approximately \$550 million in new contracts and contract extensions. Major wins included:

	<b>Value A\$M</b>	<b>Client</b>
Wheatstone Fly Camp	\$117M	Bechtel
Christmas Creek Airstrip	\$30M	Fortescue Metals Group
Buffel Park Village	\$90M	BHP Mitsubishi Alliance
Rail Camp 25A	\$68M	Fortescue Metals Group
Accommodation Village – Port Hedland	\$94M	BHP Billiton Iron Ore
Rowley Yard & Locomotive Facility	\$50M	Fortescue Metals Group
Marandoo Mine Services Infrastructure	\$30M	Rinto Tinto

### **Net Assets and Cash Position**

Decmil’s net assets increased by \$111 million to \$225 million during the financial year.

Excellent cash generation continued to be a major feature of the Group with \$80 million recorded for the year, an increase of 177% on the previous year. This has resulted in net debt at 30 June 2012 of \$125.5 million, maintaining its low gearing structure. The Company continues to operate with a strong balance sheet, with a year-end cash position of \$141.4 million (up 120%).

“We remain in a very strong position to pursue growth opportunities as they arise,” Mr Criddle said.

### **Dividend**

The Company is pleased to announce it will pay shareholders a final dividend of 7.5 cents per share, fully franked. The dividend will be paid on 20 September 2012, with a record date of 6 September 2012.

With a 2.5 cents per share interim dividend paid on 14 March 2012, shareholders will be paid dividends totalling 10 cents per share for 2011/12, representing a payout ratio of 43%.



Decmil Group Limited

## Management Appointment

The past year has been a period of stability in the Group's management team.

The only significant change has been the appointment of Mr Brad Kelman as Managing Director of Decmil Investments, a new division which has recently been established as part of the Group's diversification strategy. Transferring from his previous role as Company Secretary of Decmil Group Limited in July 2012, Mr Kelman will be responsible for growing Decmil Investments, the first asset of which is the Calliope Accommodation Village, Queensland.

## Outlook

The Company has an order book of approximately \$400 million (excluding Calliope Village revenue), reflecting the continued strong demand from the resources sector.

Mr Criddle said: "The strength of our order book will underpin what we believe will be another positive year ahead for the Group in 2012/13.

"While there is no doubt there are some indications of a slow-down in the sector, we are still experiencing demand particularly from our key Tier 1 resources customers as they progress with major projects.

"Current commentary around potential delays to some projects has no impact on those major projects, particularly in the LNG sector, that already have approvals in place, and these will continue to drive demand for the next few years.

"In fact, we are currently experiencing historically high levels of resources and energy projects underway, providing a strong construction pipeline for the new financial year and beyond.

"Our core capabilities of delivering large scale infrastructure projects and accommodation villages for Australia's major mining and oil & gas companies put us in a very strong position to achieve continued growth.

"One of the real strengths of our business model is diversification.

"Earlier this month we announced we are moving to 100% ownership of the Calliope Accommodation Village in Gladstone, Queensland and we expect that this will have a positive impact on future shareholder returns through its recurring revenues.

"Beyond this, we are looking to pursue additional opportunities in Queensland, along with further expansion into infrastructure including roads, water and power projects.

"We are also seeking ways to further capitalise on the Group's excellent project delivery track record and build additional recurring revenue streams," Mr Criddle said.

## About Decmil Group Limited

*Decmil Group Limited (DGL) is a leading design, civil engineering and construction company, focussed on delivering integrated solutions to blue-chip clients in Australia's oil and gas, resources and infrastructure sectors. Listed on the Australian Securities Exchange (ASX Code: DCG), DGL's goal is to maximise returns from our operations to deliver value to our shareholders, clients and other stakeholders. In April 2012 the Company was admitted to the S&P/ASX 200 Index.*

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