

ASX / MEDIA ANNOUNCEMENT
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DECMIL MAINTAINS STRONG PERFORMANCE RECORD

HIGHLIGHTS

- **Net profit after tax of \$14.2 million, up 58%**
- **Revenue of \$233.7 million, up 57%**
- **Cash on Hand of \$62.9 million, up 117%**
- **Contracts extensions of \$93 million**
- **Order book at 1 January 2011 approximately \$200 million**

Leading Western Australian civil engineering and construction company Decmil Group Limited (**ASX: DCG**) today reported a net profit after tax of \$14.2 million for the half-year ended 31 December 2010, an increase of 58 percent on the previous corresponding period.

This strong result was achieved on total sales revenue of \$233.7 million, a 57 percent increase on the result in the previous period. The higher sales activity was driven by the continued strong performance of DGL's wholly owned subsidiary, Decmil Australia, which remains the Group's core asset following the corporate restructure in June 2010.

The strong operational performance and a focus on productivity efficiency has resulted in EBITDA margins remaining steady at 9 percent and earnings per share increasing 53 percent to 11.43 cents.

	2011 HY A\$M	2010 HY A\$M	% CHANGE
Revenue	\$233.7 M	\$149.2 M	⬆ up 57%
EBITDA	\$21.2M	\$14.6 M	⬆ up 45%
Net Profit After Tax	\$14.2 M	\$9 M	⬆ up 58%
Operating Cash Flow	\$22.9 M	\$7.6 M	⬆ up 201%
Earnings Per Share	11.43 cents	7.47 cents	⬆ up 53%
Cash on Hand	\$62.9 M	\$29.0 M	⬆ up 117%

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Decmil was awarded approximately \$93 million in contract extensions during the period, which further reinforces the Company's strong market position and relationship with high quality clients.

Decmil Group Managing Director and CEO Mr Scott Criddle said, "The delivery of key contracts during the first half has firmly cemented Decmil's market position as a leading engineering and construction company with blue chip clients. It provides the Group with a solid platform to further capitalise on the strong pipeline of contracts to be awarded in our key target markets of resources, oil & gas and infrastructure over the next 12 months."

"The Company's strategy over the past two years to focus on organic growth and strengthen relationships with blue chip clients has translated into strong results in the first half of the 2011 financial year" Mr Criddle said.

The Group's ongoing investment in health, safety and environment (HSE) systems and training has continued to support the safe and sustainable development of the business. During the period, the Company's safety performance continued to improve with total recordable injury frequency rates (TRIFR) improving 26 percent to 6.68 from 9.09 in June 2010.

Net Assets and Cash Position

Decmil's net assets increased to \$104.5 million during the period.

Sound operating cash flow performance continued to be a key feature of the Group, increasing 201 percent to \$22.9 million.

The Company's net cash position at the end of the period was \$56.8 million and the Group maintained no significant debt.

Decmil Group has established banking facilities in place which put the Company in a strong financial position to expand and grow its current operations.

Outlook

Decmil Group enters the second half of 2010/11 with an order book of approximately \$200 million and a strong cash position.

The project pipelines in the Company's target markets of resources, oil & gas and infrastructure continue to strengthen with an associated high level of tendering activity. In the current market conditions, Decmil views prospects in the short to medium-term as positive although some uncertainty remains as to the timing of key projects and a return to full use of industry capacity.

Access to professional and skilled labour in the contracting and building industry is expected to intensify and Decmil will continue to focus on attraction and retention strategies to build and maintain its resources.

Mr Criddle said Decmil has consolidated its leadership position with blue-chip clients in Western Australia and will assess opportunities to leverage its expertise and experience on projects in Queensland and the Northern Territory.

To support this, Decmil Australia appointed Mr Brenton Akehurst as General Manager Queensland in January 2011. Mr Akehurst has more than 15 years experience in the engineering and construction industry and will oversee Decmil's expansion into Queensland and the Northern Territory.

At this time, the Group's strategy is to pursue organic growth of its current business in Western Australia, while assessing expansion opportunities in eastern and northern Australia.

Mr Criddle said Decmil remains focused on achieving strong shareholder value and the Company will maintain internal hurdle rates of return in assessing growth opportunities.

Decmil expects that, with its current business activity and level of work in hand, the Company's second half sales revenue and earnings will be similar to those of the half year.

The Board reaffirmed its expectation that it will declare a dividend for the current financial year.

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Decmil Group Limited (ASX: DCG) is a multi-disciplined civil, engineering and construction company focussed on delivering integrated solutions to blue-chip clients in the oil and gas, resources and infrastructure sectors in Western Australia. www.decmilgroup.com.au