Decmil Group Limited

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Companies Announcement Office
Australian Securities Exchange
Level 3, 20 Bridge Street
SYDNEY NSW 2000

By ASX Online

Decmil Group Limited 2011 Interim Results Presentation

Attached is a copy of the 2011 Interim Results Presentation issued today by Decmil Group Limited as part of the company's half year 2011 results release.

Yours faithfully,
DECMIL GROUP LIMITED

Brad Kelman
Company Secretary

Level 2, 76 Hasler 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

2011

INVESTOR PRESENTATION

POSITIONED FOR FURTHER SUCCESS

Decmil Group Limited

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HIGHLIGHTS – HY 2011

Financial

- **Revenue** up 57% to **$233.7m**
- **EBITDA** up 45% to **$21.2m**
- **NPAT** up 58% to **$14.2m**
- **EPS** up 53% to **11.43 cents**
- **Cash on Hand** up 117**%** to **$62.9m**

Operations

- **$93m of contract extensions** awarded
- Enhanced project management systems
- Strengthened Executive Management Team
- **Total workforce** including contractors of approx. **800** people

Strategy

- Solid organic growth across all business areas
- **Strong pipeline of $100m+ project opportunities in core markets**
- Progressed diversification strategy – infrastructure sector, Qld and NT markets
- **Total forward order book of approx. $200m** at Jan 2011

COMPANY OVERVIEW

VISION

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

- **Strategic focus**
  - Oil & gas, resources and infrastructure sectors
- **Geographic focus**
  - Western Australia north west
  - Evaluating expansion into Qld and NT
- **Contract size**
  - Capable of delivering complex, multi-discipline projects
  - Targeted contract size of $100m^{+}
- **Solid reputation with blue-chip clients**

Capital Structure and Cash at 31 Dec 2010	
Shares on Issue	**124.2m**
Market Cap	**$331m**
Cash on Hand	**$62.9m**
Debt	**$6.1m**

Share price performance 2010

COMPETITIVE LANDSCAPE

- **Few competitors** capable of servicing **Decmil's target contract size of $100m+**
- Based on contracts performed for Tier One clients
- Limited competition in each area of work

	Accommodation Villages	Civil Works	Non-Process Infrastructure
DECMIL GROUP	✓	✓	✓
Leighton Contractors	✓	✓	✗
Thiess	✓	✓	✗
John Holland	✗	✗	✓
Forge Group	✗	Small	✓
VDM Group	Small	✗	✓
Macmahon Holdings	✗	✓	✗
NRW Holdings	✗	✓	✗
Georgiou Group *	Small	✓	✓
DORIC Group *	Small	✗	✓

* Private companies

FINANCIAL HIGHLIGHTS

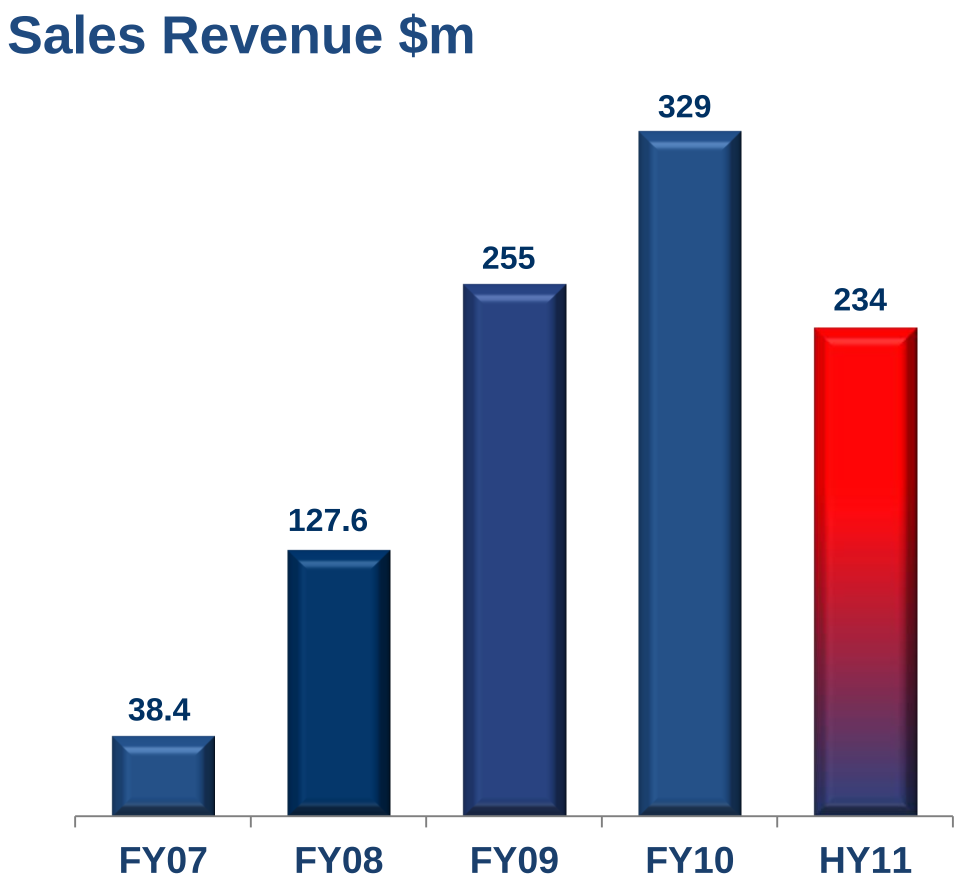
		HY 11	HY 10	Change
Revenue	$m	233.7	149.2	↑ 57%
EBITDA	$m	21.2	14.6	↑ 45%
NPAT	$m	14.2	9.0	↑ 58%
NPAT Margin	%	6.0	6.0	-
Operating Cash Flow	$m	22.9	7.6	↑ 201%
EPS Basic	cps	11.43	7.47	↑ 53%
Return on Equity	%	13.54	10.04	↑ 35%

BALANCE SHEET TO SUPPORT GROWTH

			HY 11	HY 10	Change
Gross Cash		$m	62.9	29.0	↑ 117%
Debt		$m	6.1	6.4	↓ 5%
Net Cash		$m	56.8	22.6	↑ 151%
Bank Guarantees & Performance Bonds	Utilised	$m	70.3	50.8	↑ 38%
	Limit	$m	121.0	82.5	↑ 47%
CAPEX		$m	2.4	2.7	↓ 11%

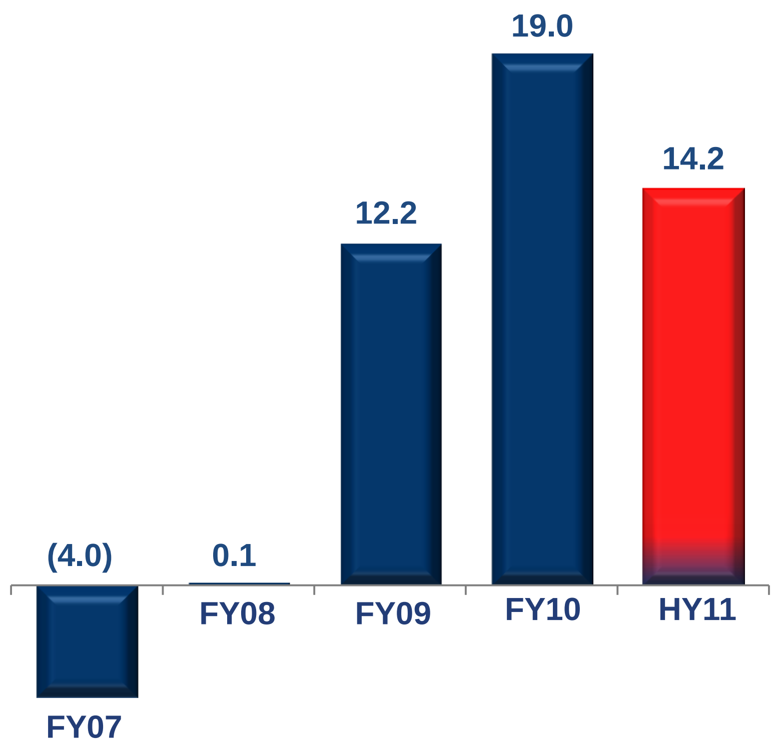
- Healthy cash levels to fund future growth
- Debt levels remain low
- Increased bonding facilities to support future growth strategy

REVENUE GROWTH

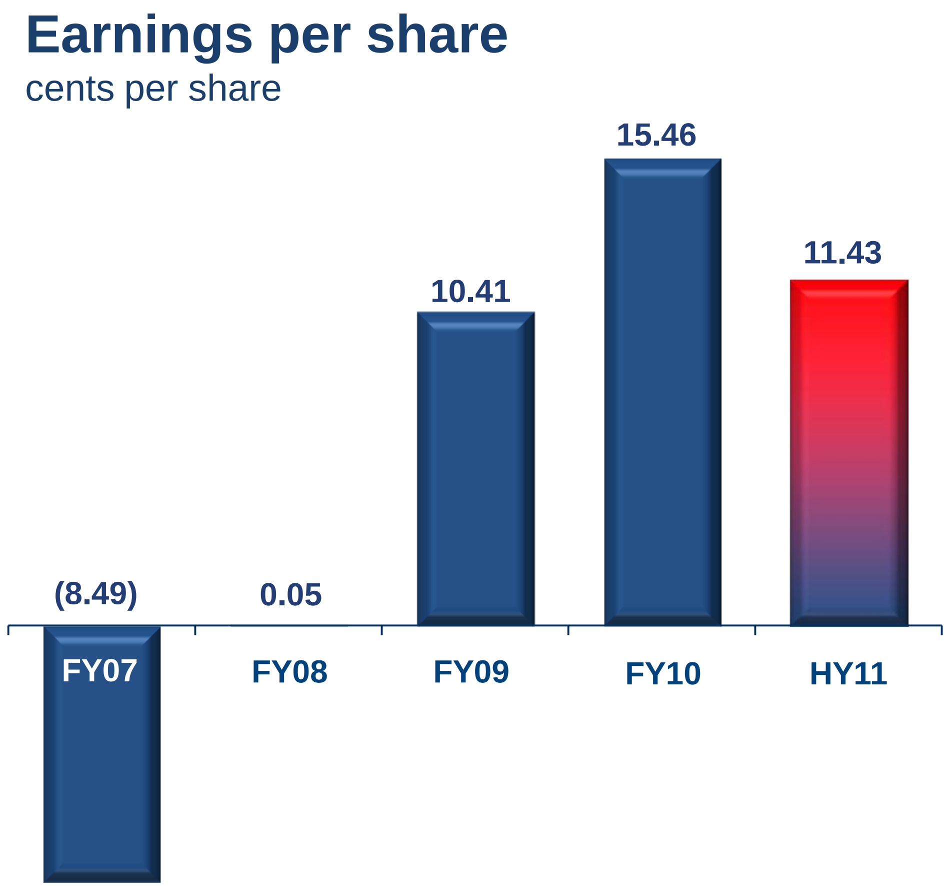


STRONG NPAT GROWTH

NPAT $m



HIGHER EARNINGS



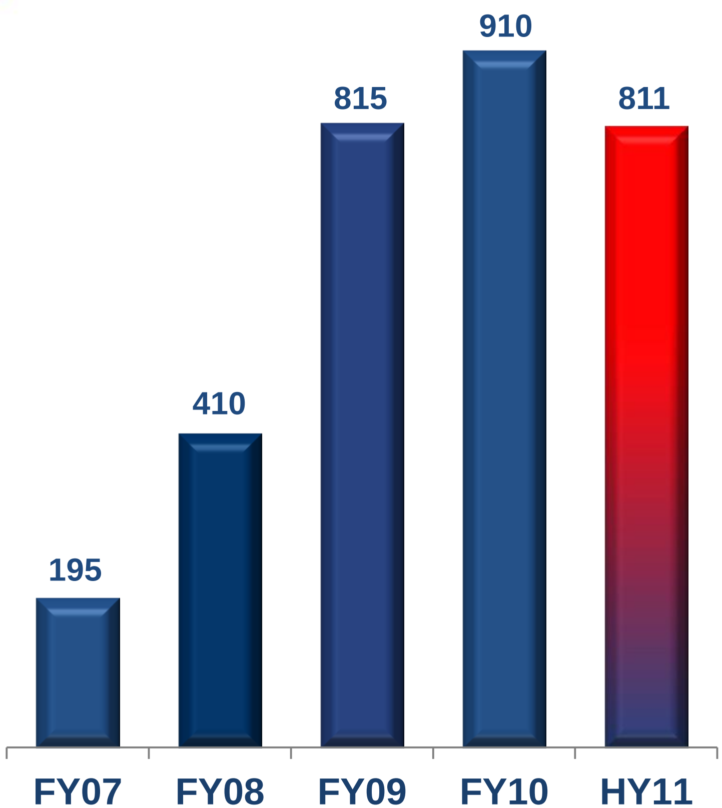
CORPORATE ENTERPRISE

Systems and Processes

- Continued upgrade to build enterprise to manage multi-disciplined contracts \$100m^{+}
- Enhanced internal review process for tenders and projects
- Key systems completed include:
  - **Project Management** - enhanced project controls, financial and productivity tracking.
  - **Online Vendor Management** – increased efficiencies in vendor assessment and registration and matching to tendering opportunities.
  - **Human Resource** - training, rostering and travel management systems for 800^{+} workforce
- Preferred supplier/subcontractors all quality accredited

PEOPLE CAPABILITY

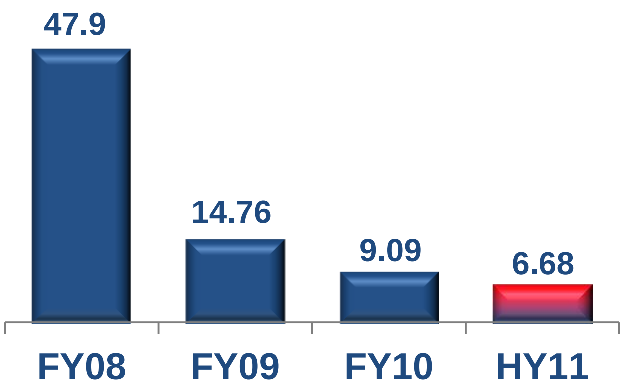
Employee numbers



- Currently slight excess capacity, proactive positioning to maintain labour supply in near-term
- Estimating and project management capabilities increased in 1H 2011
  - in line with future projects pipeline
  - high level of tendering for $100m+ contracts
- Clear accountabilities for retention and development initiatives
- Increased traineeship and apprenticeship participation
- Decmil size and flat structure allows quick response in dynamic and competitive market
- Civil and building skill sets transferable across diversified sectors
- Key trades all self-performed

HEALTH, SAFETY & ENVIRONMENT

Total Recordable Incident Frequency Rate (TRIFR)



- **Implemented Safety/Health In Every Level @ Decmil (SHIELD)**
  - Leadership Summit to review program, engage ‘Natural Leaders’
  - Induction and orientation program changes to improve engagement of new starters
- **Reward and Recognition**
  - Safe Way Achiever Award – 2010 Gold Winner
  - Skilled Innovation Award – 2010 Finalist
- **2nd Nature Program**
  - Introduced company-wide environmental sustainability program
  - Completed baseline carbon inventory report

CURRENT PROJECTS

CURRENT PROJECTS

Pluto LNG Project

CLIENT **Woodside Energy**

VALUE **$115 million**

DETAILS Supply and install concrete foundations and pedestals, in-ground electrical & hydraulic services

Pluto LNG Project

Temporary & Miscellaneous Facilities

CLIENT **Woodside Energy**

VALUE **$148 million**

DETAILS Construction of temporary site facilities & misc civil works

CURRENT PROJECTS

Gorgon Construction Village

CLIENT **Chevron**

VALUE **Total JV contract $518M**
(Decmil $176 million)

DETAILS Construct 3,300 person village on Barrow Island

Gorgon LNG Project - Site Preparation

CLIENT **Thiess (Chevron)**

VALUE **$74 million**

DETAILS Design and construct temporary construction warehouses, transportable buildings & workshops

Kandama Accommodation Village

CLIENT **Fortescue Metals Group**

VALUE **$83 million**

DETAILS Design and construct 800-person resort style village

VALUE-ADD PROPOSITION

DGL delivers client value-add through:

- **30+ years experience operating in Pilbara region**
- **Understand region's logistical and resourcing issues**
- **Specialists in areas non-core to clients**
  - accommodation villages,
  - civil works,
  - construction of non-process infrastructure
- **Apply 'Whole of Project Lifecycle' approach**
- **Proven strength of business model**
- **Reputation for delivering projects 'on time, on budget'**
- **Highly responsive to clients needs, size and structure allows agility**
- **Long-term client relationships:**
  - understand client's business drivers, adaptive processes and systems to meet client-specific needs
  - consistently awarded "repeat work"
  - experienced with a variety of contracting models including: joint ventures, design and construct, and construct only

PROJECT PIPELINE

- **Strong near-term project pipeline** in key target sectors
- Decmil has a **established working relationship** with clients listed

CLIENT	PROJECT	TIMING	FID
Rio Tinto	280 mtpa expansion	1H 2011 – 1H 2014	Approved
Chevron	Gorgon	1H 2011 – 2H 2014	Approved
Fortescue Metals	155 mtpa expansion	2H 2011 – 1H 2013	Approved
BHP	RGP 6	2H 2012 – 2H 2014	Partial FID
Woodside	Pluto 2	1H 2012 – 1H 2014	FID end 2011
Chevron	Wheatstone	1H 2011 – 2H 2014	FID 2011
Hancock Prospecting	Roy Hill	1H 2012 – 1H 2014	Feasibility
Inpex	Ichthys	1H 2012 – 1H 2014	Feasibility

Compiled from industry sources

SHORT-TERM CONTRACT OPPORTUNITIES

- **More than $3.7b in contracts** to be **awarded in 2011 in Decmil key sectors**
- Decmil has **strengthened resources** to participate in a high number of tenders for $100m⁺ contracts

CLIENT	PROJECT	TYPE	CONTRACT VALUE	AWARD TIMING
Fortescue Metals	**Christmas Creek**	Accom.. Village	$100m	March Q 2011
Fortescue Metals	**Solomon Stage 1**	Civils, NPI	$150m	Mid 2011
Hancock	**Roy Hill**	NPI, Civils	$1.5b	Mid 2011
Chevron	**Wheatstone**	Village, Civil, NPI	$750m	Dec H 2011
Woodside	**Pluto 2 & 3**	Civils	$300m	Dec H 2011
Rio Tinto	**Expansion to 283mtpa**	Village, Civils, NPI	>$500m	June Q 2011
BHPB	**RPG6**	Village, Civils, NPI	$150m	Mid 2011
Inpex	**Ichthys**	Village, Civils, NPI	$250m	Late 2011
TOTAL			**$3.7 billion**	

STRATEGY & OUTLOOK

STRATEGY

- **Operating Performance**
  - Sustain strong operational performance and disciplined approach to capital management
  - Continuously improve management systems and processes to deliver value to clients and shareholders
  - Continue to attract, develop and retain the right people
- **Future Growth**
  - Maintain focus on organic growth in core markets in WA
  - Identify and assess opportunities to leverage expertise and experience in core markets in Qld and NT
  - Assess M&A opportunities for small/medium sized deals, bolt-on acquisitions

OUTLOOK

Well positioned for growth

- DGL enters 2H 2011 with a strong order book and sound cash position

Strong pipeline of new projects

- Strong pipeline of new projects expected to start in mid-2011
- Positive short-term outlook in core sectors - resources, oil & gas and infrastructure - some uncertainty remains on final timing of key projects
- Decmil has identified >$3.7 billion in current project pipeline in 2011

Focus on maintaining performance and profitability

- Elevated tender activity across all sectors, highly competitive environment
- DGL will maintain a disciplined approach to new contract tenders
- Competition for labour expected to intensify, maintain focused programs targeting employee attraction and retention

Earnings outlook

- On current business activity and level of work in hand, DGL expects 2H revenue and earnings will be similar to the first six months

DGL
Decmil Group Limited

Thank you!