Decmil Group Limited

18 August 2011

Company Announcements
Australian Securities Exchange Limited
Level 10, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Decmil Continues to Deliver Record Profit

Please find attached a copy of the Media Announcement to be issued today by Decmil Group Limited as part of the company's full year 2011 results release.

Yours sincerely

J. Campbell

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Company Secretary

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ASX DCG
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Decmil Group Limited

ASX / MEDIA ANNOUNCEMENT
18 August 2011

DECMIL CONTINUES TO DELIVER RECORD PROFIT

HIGHLIGHTS

- **Revenue $394.2 million, up 20%**
- **NPAT $23.5 million, up 24%**
- **Earnings Per Share 18.9 cps, up 22%**
- **Cash on Hand $64.4 million, up 22%**
- **Maiden dividend declared, 6 cents fully franked**
- **Total order book approx. $300 million, at 1 July 2011**
- **Strengthened executive management experience**

Western Australian-based civil, building and construction company Decmil Group Limited **(ASX: DCG)** ("DGL", "Decmil" or "the Company") today announced it has achieved another record sales and profit result for the full year ended 30 June 2011. The Company reported a net profit after tax of $23.5 million (up 24% compared to previous year) on revenues of $394.2 million (up 20% on FY 2010).

This solid performance was achieved despite the slower than expected ramp-up of resources and oil & gas projects in Western Australia which delayed start-up of work programs by DGL's wholly-owned subsidiary Decmil Australia. The Company's net profit after tax margin lifted to 6% for the period.

	2011 FY	2010 FY[1]	Change
Revenue	**$394.2M**	$329.0M	+20%
EBITDA	**$35.4M**	$29.9M	+18%
NPAT	**$23.5M**	$19.0M	+24%
NPAT Margin	**6.0%**	5.7%	+5%
Earnings Per Share (Basic)	**18.9cps**	15.5cps	+22%
Cash on Hand	**$64.4M**	$52.9M	+22%
Return on Equity	**20.6%**	21.0%	-1.9%
Dividend Per Share[2]	**6.0cps**	-	-

[1] FY10 figures relate to continuing operations
[2] Maiden dividend

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New Contracts & Contract Extensions

Decmil was awarded approximately $360 million in new contracts and contract extensions during the 2010/11 reporting period. These included:

	Value A$M	Client	
Pluto LNG Project – Civil Works	$120M	Woodside Energy	Variation
Christmas Creek Project – Karntama Village Stage 2	$55M	Fortescue Metals Group	New
Jimblebar Mine Development – Warrawandu Village	$70M	BHP Billiton Iron Ore	New

Net Assets and Cash Position

Decmil's net assets increased by $24 million to $114 million during the financial year.

Sound operating cash flow performance continued to be a key feature of the Group in 2011/12, with $29 million recorded for the year. The year-end cash position grew 22% to $64.4 million and the Group maintained no significant debt. Decmil has established banking facilities in place which puts the Company in a strong financial position to expand and grow its current operations.

Maiden Dividend

On the strength of the Company's performance, the Board of Directors announced the Company's maiden dividend of 6 cents per share, fully franked, will be paid to shareholders on 23 September 2011. The Record Date for the full year dividend is 2 September 2011.

Key Management Appointments

In January 2011, Mr Brenton Akehurst was appointed as Decmil Australia's General Manager Queensland. Mr Akehurst has more than 15 years experience in the engineering and construction industry and is overseeing Decmil's expansion into Queensland and the Northern Territory. He is based in Decmil Australia's Brisbane office which opened in January 2011.

This was followed in April 2011, by the appointment of Mr Ray Sputore as Decmil Australia Managing Director. Mr Sputore has more than 30 years experience in the engineering and construction industry, having served as Leighton Contractors' General Manager - Western Region from 2002 to 2011 and held operational and senior executive roles with Transfield.

Decmil Group CEO Scott Criddle said Mr Akehurst's and Mr Sputore's extensive experience in the building and construction industry and proven track record of winning work will be invaluable to Decmil achieving its performance and growth targets in 2011/12 and beyond.

Outlook

Mr Criddle said Decmil enters the current financial year with an order book of approximately $300 million, strong cash position and carrying minimal debt.

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. DGL has $670 million in tenders submitted which are expected to be awarded before the end of 2011.

Further, Decmil has identified an additional $3.8 billion of civil and building contracts in its key markets of Western Australia, Queensland and the Northern Territory which are scheduled for award between late 2011 and mid 2012.

Mr Criddle said "Decmil has consolidated its leadership position with blue-chip clients in Western Australia and will continue to pursue opportunities to leverage this standing to achieve organic growth in the Queensland and the Northern Territory market and develop a recurring revenue stream as part of DGL's diversification strategy."

"There has been an unprecedented volume of tendering activity in Decmil's target markets In recent months and the Company is confident of securing a number of significant opportunities which will underpin strong ongoing revenue flows. Timing of projects remains the key risk in the short term," he said.

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

ENDS

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