

DECMIL GROUP LIMITED
ABN 35 111 210 390

Preliminary final report
For the year ended 30 June 2017

Appendix 4E

Reporting period & previous corresponding period

The current reporting period is for the year ended 30 June 2017.
The prior reporting period is for the year ended 30 June 2016.

Results for announcement to the market

				\$'000
Revenue from ordinary activities	Up	1.5%	to	306,015
(Loss)/profit after tax attributable to members*	Down	51.3%	to	(28,347)
Net (loss)/profit for the period attributable to members*	Down	51.3%	to	(28,347)

* FY17 includes a fair value adjustment of \$13.1m (net of tax) and an impairment charge of \$10.7m
FY16 includes a fair value adjustment of \$57.8m (net of tax)

Dividends	Amount per security	Franked amount per security
<u>Financial Year Ended 30 June 2017</u>		
Final dividend#	-	-
Interim dividend	2.0¢	2.0¢
<u>Financial Year Ended 30 June 2016</u>		
Final dividend	2.0¢	2.0¢
Interim dividend	2.0¢	2.0¢

No final dividend was paid, declared or recommended for payment

Dividend payments

Date the 2017 final dividend is payable

Not applicable

Record date to determine entitlements

Not applicable

Date final dividend was declared

Not applicable

Total dividends per security (interim plus final)

	2017	2016
Ordinary Securities	2.0¢	4.0¢

Total dividends paid on all securities

	2017 \$'000	2016 \$'000
Ordinary Securities	3,435	6,796
Total	3,435	6,796

Management discussion and analysis

Despite an initial expectation of a stronger second half to the FY17 year, delays with construction start dates on key projects secured in the first half of FY17 year and also delays with the award of new design and construct tenders bid in the second half of FY17 has resulted in revenue from continuing operations for the FY17 year being below expectations at approximately \$304 million (FY16: \$300 million).

Based on the effect of the above, taken together with the project loss on the Hastings contract and substantial restructuring costs incurred in FY17, the Company reported a broadly break-even FY17 statutory reported EBITDA position.

In line with the requirements of the accounting standards Decmil also completed a comprehensive assessment of the carrying value of key assets, which resulted in:

- A devaluation of the Group's wholly owned Homeground Gladstone accommodation village due to continued challenging conditions in the Queensland natural resources sector. Following an independent valuation, Homeground Gladstone was revalued to \$92.4 million as at 30 June 2017; and
- \$10.7 million impairment of goodwill associated with the Group's telecommunications division.

The Group maintained a net cash position, with cash on hand of \$16.9 million at the end of the financial year. Whilst the Group has access to substantial senior debt and bonding facilities, it ended the year very lowly geared. The Board and management considers this fiscal discipline to be appropriate given the challenging environment in the broader construction and engineering sector.

Net tangible assets

Net tangible asset backing per ordinary security

30 June 2017 Cents per share	30 June 2016 Cents per share
78.33 cents	92.82 cents

Control gained or lost over entities having material effect

Not applicable.

Details of associates and joint arrangements

Decmil Australia Pty Ltd, a controlled entity of Decmil Group Limited, has a 50% participation interest in the Decmil BESIX Joint Venture with joint venture partner BESIX Australia Pty Ltd to complete a ~\$21.0m contract for Fortescue Metals Group for the provision of tug infrastructure and service facilities at Anderson Point, Port Hedland in Western Australia.

Decmil Construction NZ Limited, a controlled entity of Decmil Group Limited, has a 50% participation interest in the Stanley Decmil Joint Venture with joint venture partner Stanley Construction Limited to construct the Thames Indoor Sports Facility for the Thames Coromandel District Council located in Thames, New Zealand valued at NZD\$3.4m.

Decmil Australia Pty Ltd, a controlled entity of Decmil Group Limited, is a participant in two unincorporated joint ventures with Balance Utility Solutions Pty Ltd. The first is a 50% participation interest in the delivery of a battery energy storage system for Western Power in Perenjori, Western Australia valued at \$1.6m. The second is a 67% participation interest in the construction of a 10MW solar farm in Goulburn, New South Wales and a two year operation and maintenance contract for Gullen Solar Pty Ltd valued at \$19.2m.

Material interests in entities which are not controlled entities

Not applicable.

Annual meeting

The annual general meeting will be held as follows:

Place

Decmil Perth Office
20 Parkland Road
Osborne Park WA 6017

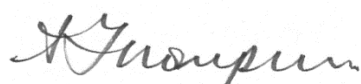
Date

1st November 2017

Time

10.00 am

This report is based on accounts which have been audited.



Alison Thompson
Company Secretary

Date: 30th August 2017