

ASX / MEDIA ANNOUNCEMENT
28 February 2017

FY17 INTERIM FINANCIAL RESULTS

- **Revenue of \$152.5m for six months ended 31 December 2016**
- **Adjusted EBITDA¹ of \$8.1m**
- **Operating cash flow of \$7.4m**
- **Cash on hand of \$17.9m at 31 December 2016 and low gearing**
- **Interim dividend of 2.0c per share**
- **Improving outlook for FY18**

Decmil Group Limited (ASX: DCG) ("Decmil" or "Company") has today released its financial results for the six months ended 31 December 2016.

Operations

Operations for the six months to 31 December 2016 reflects the diversification of the Group in recent years, with project activity spanning a number of sectors including WA Iron Ore sustaining capital works, Queensland coal seam gas upstream maintenance, Defence enabling infrastructure, road and bridge projects for State road authorities, renewable energy and telecommunications.

Key operational activity for the six months to 31 December 2016 includes:

- Sustaining capital work in the WA Iron Ore Sector including a warehouse and logistics hub for BHP Billiton Iron Ore in Port Hedland, an airstrip and associated facilities at Cape Preston for Sino Iron and various works for Samsung C&T at the Roy Hill project;
- Minor capital works at a number of the Australian Defence Force bases and facilities;
- Progress with the Group's first substantial renewables project, being an engineer, procure and construct ("EPC") contract for a 10MW solar farm and a two year operation and maintenance contract near Goulburn in New South Wales;
- Wellhead installation, brownfield maintenance and miscellaneous works for QGC in the Queensland coal seam gas sector;
- Work in New Zealand for the Ministry of Education with school projects in Christchurch and Auckland and securing the first project for the New Zealand Defence Force at Kauri Point;
- A variety of road and bridge projects by Cut & Fill predominantly for Vic Roads including the Sand Road Interchange, the Monash Freeway Bridge Strengthening project and the Sneydes Road Interchange;
- Wireless work in Western Australia, New South Wales and Victoria by SC Services for key customers Ericsson, Huawei and Nokia; and
- A variety of design and consulting engineering work by Scope Australia under the Roy Hill engineering panel.

1 – Excluding various one off and restructuring costs

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Financial Position and Dividend

The Group maintained a net cash position including gross cash on hand of \$17.9 million at 31 December 2016. The Group retains low gearing and recently renegotiated its principal banking facilities, retaining sufficient undrawn access to debt and bonding facilities to fund operations.

Homeground Gladstone experienced improved occupancy in H1FY17, averaging 30%, due to the final stages of construction on the major Gladstone LNG projects and as other accommodation located on Curtis Island demobilised.

The Company is pleased to announce it will pay shareholders an interim dividend of 2.0 cents per share, fully franked. The dividend will be paid on 29 March 2017, with a record date of 8 March 2017.

Strategy and Outlook

Visibility of Group revenue for the 2018 financial year has improved in recent months due to recent contract wins and a general improvement in the Group's core sectors of natural resources, infrastructure and renewable energy. At the date of this release, FY18 work in hand and visible revenue stands at ~\$175m.

Management and the Board continue to work towards transforming the business and to position it going into the 2018 financial year with:

- Exposure to a diverse range of markets including natural resources, infrastructure and renewable energy;
- An efficient overhead structure; and
- An established national presence across the Australasian region.

Managing Director Mr. Scott Criddle said:

"Operations for the six months to 31 December 2016 reflects the diversification of the Group in recent years and the business is active in a number of sectors across Australia and New Zealand. Whilst we are seeing opportunities in new sectors such as renewable energy, market conditions have also started to improve in some of the Group's core sectors of natural resources and infrastructure. This, combined with recent contract wins, means improved potential for revenue growth in FY18."

About Decmil

Decmil Group Limited (DGL) offers a diversified range of services to the Australian resources and infrastructure industries. Companies within the group specialise in design, civil engineering and construction; accommodation services; maintenance; and telecommunications. Listed on the Australian Securities Exchange (ASX Code: DCG), Decmil's goal is to maximise returns from our operations to deliver value to our shareholders, clients and other stakeholders.

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