

**DECMIL GROUP LIMITED**  
**Preliminary final report**  
**For the year ended 30 June 2014**

**Appendix 4E**

**Results for announcement to the market**

**Reporting Period**

<b>YEAR ENDED 30 JUNE 2014</b>
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**Key Information**

				\$'000
<b>Revenue</b>	Up	16.9%	to	618,401
<b>Profit after tax attributable to members*</b>	Down	18.2%	to	52,627
<b>Net profit for the period attributable to members*</b>	Down	18.2%	to	52,627

\* FY13 included a gain arising from business combination net of tax and amortisation of intangible assets of \$19.1 million.

\* FY14 includes a gain arising from business combination of \$2.9 million.

<b>Dividends</b>	<b>Amount per security</b>	<b>Franked amount per security</b>
<u>Financial Year Ended 30 June 2014</u>		
Final dividend	8.5¢	8.5¢
Interim dividend	4.5¢	4.5¢
<u>Financial Year Ended 30 June 2013</u>		
Final dividend	8.0¢	8.0¢
Interim dividend	4.0¢	4.0¢

**Dividend Payments**

Date the 2014 final dividend is payable

26 September 2014

Record date to determine entitlements

5 September 2014

Date final dividend was declared

19 August 2014

### Total dividends per security (interim plus final)

	2014	2013
Ordinary Securities	13.0¢	12.0¢

### Total dividends paid on all securities

	2014 \$'000	2013 \$'000
Ordinary Securities	21,926	20,184
<b>Total</b>	21,926	20,184

## Management Discussion and Analysis

The Group has delivered a statutory net profit after tax for FY14 of \$52.6m (FY13: \$64.4m).

The prior year operating profit before tax comparative includes a gain arising from the business combination of Homeground Villages of \$29.8m and the current financial year includes gains in connection with the deferred settlement of the Eastcoast Development Engineering Pty Ltd (EDE) acquisition and the acquisition of VDM Construction (Eastern Operations) Pty Ltd (VDM), totalling \$2.9m. To the extent these gains are removed from each financial year, the Group has grown the net profit after tax by \$4.5m (10%) over the comparative period.

Excluding the gains arising from the business combinations, earnings per share has grown by 2.56 cents (9.5%).

The growth in year on year profit has been underpinned by the \$91.2m (17%) increase in revenue from key contracts for clients such as The Federal Department for Immigration and Border Protection (DIBP), Roy Hill, Atlas Iron, Queensland Gas Corporation, Rio Tinto and Chevron.

Strong occupancy at the Group's Homeground accommodation village in Gladstone was also a significant contributor to Group profit.

A more competitive landscape for construction in the natural resources sector and greater proportion of Government and civil work has seen profit margins decline in the current financial year compared with those realised during the resources and construction boom of recent years.

The Group has continued to evolve its client base and core capability and during the financial year, with work for Government (both Federal and State) and a broader base of civil work (including roads and bridges) becoming key features of the business. The Group continues to see significant revenue potential in these areas of the business and they will continue to provide the Group with greater sources and diversity of revenue in coming years.

## NTA backing

Net tangible asset backing per ordinary security

30 June 2014 Cents per share	30 June 2013 Cents per share
138.42 cents	120.44 cents

## Control gained or lost over entities having material effect

On 1 October 2013, Decmil Australia Pty Ltd, a wholly owned subsidiary of Decmil Group Limited, acquired 100% of the issued capital of VDM Construction (Eastern Operations) Pty Ltd for a total consideration of \$2.75M. The company has since been renamed Decmil Engineering Pty Ltd.

## Details of associates and joint arrangements

In May 2014, Decmil Australia Pty Ltd, a wholly owned subsidiary of Decmil Group Limited, entered into a joint venture agreement with Obrascon Huarte Lain S.A. forming the Decmil OHL JV of which Decmil Australia has 50% interest. The principal activity of Decmil OHL JV is the demolition and replacement of an existing bridge in Maylands, Western Australia for Main Roads Western Australia.

In addition, Decmil Australia Pty Ltd has a 33% ownership interest in TDK Joint Venture which is in the process of closing out the contract for the Gorgon Construction Village.

## Material interests in entities which are not controlled entities

Not applicable.

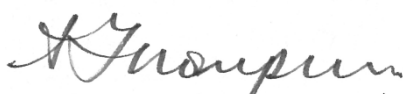
## Annual meeting

The annual general meeting will be held as follows:

Place	Decmil Perth Office 20 Parkland Road Osborne Park WA 6017
Date	12th November 2014
Time	10.00 am
Approximate date the annual report will be available	12th October 2014

## Compliance statement

- 1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views.
- 2 This report is based on accounts, which have been audited and the consolidated financial statements for the reporting period ended 30 June 2014 accompany this report.



Alison Thompson  
 Company Secretary

Date: 20<sup>th</sup> August 2014