

**DECMIL GROUP LIMITED**  
**ABN 35 111 210 390**

**Preliminary final report**  
**For the year ended 30 June 2016**

**Appendix 4E**

**Reporting period & previous corresponding period**

The current reporting period is for the year ended 30 June 2016.  
 The prior reporting period is for the year ended 30 June 2015.

**Results for announcement to the market**

				<b>\$'000</b>
<b>Revenue</b>	Down	54.7%	to	302,103
<b>Profit after tax attributable to members*</b>	Down	244.6%	to	(58,236)
<b>Net profit for the period attributable to members*</b>	Down	244.6%	to	(58,236)

\* FY16 includes a fair value adjustment of \$57.8m and various one-off and restructuring costs.

<b>Dividends</b>	<b>Amount per security</b>	<b>Franked amount per security</b>
<u>Financial Year Ended 30 June 2016</u>		
Final dividend	2.0¢	2.0¢
Interim dividend	2.0¢	2.0¢
<u>Financial Year Ended 30 June 2015</u>		
Final dividend	8.5¢	8.5¢
Interim dividend	4.5¢	4.5¢

**Dividend payments**

Date the 2016 final dividend is payable	23 September 2016
Record date to determine entitlements	2 September 2016
Date final dividend was declared	26 August 2016

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

	2016	2015
Ordinary Securities	4.0¢	13.0¢

### Total dividends paid on all securities

	2016 \$'000	2015 \$'000
Ordinary Securities	6,796	21,808
<b>Total</b>	6,796	21,808

### Management discussion and analysis

The consolidated entity has reported a statutory loss after tax for FY16 of \$58.2m (FY15: profit of \$40.3m).

The 2016 financial year presented a number of challenges to the Group and a number of restructuring activities and one-off costs were incurred in the year including:

- The downward revaluation of the Homeground Gladstone Village by a non-cash amount of \$78.1 million;
- Restructuring costs of \$4.0 million arising from redundancy and termination payments;
- The discontinuance of unprofitable parts of the SAS Telecom business;
- \$0.4 million in cost to establish the New Zealand office; and
- A project loss of \$8.0 million on the Hastings project in Victoria.

Excluding the above adjustments, the Group delivered a full year EBITDA of \$17.5 million and a NPAT of \$10.3 million.

The early part of the 2016 financial year saw a period of rapid decline in the resources and energy sectors which saw Decmil reassess its traditional work profile and associated organisation structures. As a result, the business has been restructured to reduce the capacity of the traditional resource based business in Western Australia and Queensland and the Accommodation division resulting in a reduction in administration expenses of \$12.7 million or 28.7% on the same period last year.

The review also gave rise to a plan to accelerate into new markets with more stable and recurring demand patterns and through this diversification create a business that can better navigate fluctuations in business cycles. The 2016 financial year therefore became a year of transition for Decmil which saw the acquisition of 3 businesses which have contributed to an order book of ~\$300 million going into the 2017 financial year.

The Group financial position remained strong and whilst the Group has access to substantial debt and bonding facilities, it ended the year in a net cash position and with gearing of less than 10%.

**Net tangible assets**

Net tangible asset backing per ordinary security

	<b>30 June 2016 Cents per share</b>	<b>30 June 2015 Cents per share</b>
	92.82 cents	149.03 cents

**Control gained or lost over entities having material effect**

On 1 December 2015, the Group acquired 100% of the issued capital of SC Holdings Pty Ltd, SC Services Pty Ltd and SC Equipment Holdings Pty Ltd for an upfront purchase consideration of \$14,000,000. The SC entities' activities include design, installation, commissioning and maintenance services to telecommunications network owners, manufacturers and NBN service providers.

On 1 February 2016, the Group acquired 100% of the issued capital of Cut and Fill Pty Ltd for \$9,560,000. Cut & Fill is a Melbourne based civil engineering company focussed on civil infrastructure works across the South Eastern seaboard of Australia.

On 1 March 2016, the Group acquired the business assets of Scope Australia Pty Ltd for \$1,680,000 on a cash free and debt free basis. Scope Australia specialises in the delivery of study, project management, engineering and design consultancy services to a range of industry sectors including mining, resources, government and construction.

**Details of associates and joint arrangements**

Decmil Australia Pty Ltd, a controlled entity of Decmil Group Limited, has a 45% ownership interest in the DASSH Joint Venture with joint venture partners Structural Systems and Hawkins Civil which completed a \$19.9m contract for Leighton Broad constructing the Elizabeth Quay Pedestrian Bridge in Perth, Western Australia.

**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	9th November 2016
Time	10.00 am

This report is based on accounts which have been audited.



Alison Thompson  
 Company Secretary

Date: 26<sup>th</sup> August 2016