ASX Announcement

22 February 2018

RCR Financial Results for the Half Year Ended 31 December 2017
HY18 Results for Announcement to Market

RCR Tomlinson Ltd (ASX: **RCR**) in accordance with ASX Listing Rule 4.2A, encloses for immediate release the following documents:

- Appendix 4D – HY18 Results for Announcement to the Market; and
- RCR Half Year Financial Report for the six months ended 31 December 2017.

FURTHER INFORMATION

INVESTORS

Managing Director & CEO
Dr Paul Dalgleish
RCR Tomlinson Ltd
+61 2 8413 3045
enquiries@rcrtom.com.au

ANALYSTS

Chief Financial Officer
Mr Andrew Phipps
RCR Tomlinson Ltd
+61 2 8413 3045

MEDIA

Diplomacy Pty Ltd
Mr Adam Kilgour
Mobile: +61 413 120 346

ABOUT RCR

RCR Tomlinson Ltd (ASX code: RCR) is a diversified engineering and infrastructure company, working with some of the world's leading organisations to provide intelligent engineering solutions to the Infrastructure, Energy and Resources sectors.

RCR's core capabilities encompass development, engineering, procurement, construction, operation and maintenance of major infrastructure, energy and resource projects. RCR has operations across Australia, Asia and New Zealand. Additional information is available at www.rcrtom.com.au

E.I. ENGINEERING INTELLIGENCE™. That's What We Do.

Appendix 4D – Half Year Report

Results for announcement to the market

Half Year Report for the six months ended 31 December 2017

RCR Tomlinson Ltd | ABN 81 008 898 486

The current reporting period is the six months ended 31 December 2017 ("HY18")

The prior comparative period is the six months ended 31 December 2016 ("HY17")

HY18 RESULTS FOR ANNOUNCEMENT TO THE MARKET	Up / Down	Movement		$'Million
Revenue from Continuing Operations	Up	99.6%	to	940.1
Net Profit After Tax from Continuing Operations	Up	63.0%	to	16.3
Net Profit After Tax Attributable to Members	Up	7.8%	to	9.7

A description of the figures reported above is contained in the attached RCR Tomlinson Ltd HY18 Financial Report.

DIVIDEND INFORMATION Current reporting period:	Amount per share	Franked Amount per share	Tax Rate for Franking Credit
2018 Interim Dividend per share	2.5 cents	0.0 cents	0%

2018 Interim Dividend Dates	Date
Record Date for determining entitlements to the 2018 Interim Dividend	15 March 2018
Payment Date for the 2018 Interim Dividend	5 April 2018

Dividend Re-Investment Plan will not operate in respect of the Interim Dividend.

NET TANGIBLE ASSETS BACKING	31 Dec 2017	31 Dec 2016
Net Tangible Assets per share	$1.15	$0.71

Commentary on the HY18 Results

This report should be read in conjunction with RCR Tomlinson Ltd's HY18 Financial Report and Investor Presentation released to ASX on 22 February 2018.

Audit Status

The HY18 results are based on accounts which have been subject to an audit review by Deloitte Touche Tohmatsu and the Auditor's Review Report contains no qualifications.

Control Gained or Lost over Entities having a Material Effect

No material control over any entity was gained or lost during the six months ended 31 December 2017.

Chief Financial Officer
Andrew Phipps

Date: 22 February 2018

(ABN 81 008 896 486)

RCR TOMLINSON LTD

Half Year Financial Report

For the Half Year Ended 31 December 2017

DIRECTORS' REPORT

The Directors present their report on the consolidated entity comprising RCR Tomlinson Ltd and its controlled entities ("RCR" or "the Company") for the six months ended 31 December 2017 ("HY18"). RCR is a company limited by shares that is incorporated and domiciled in Australia.

BOARD OF DIRECTORS

The Directors of RCR in office during the financial year and up to the date for this report were:

- Roderick Brown, Independent Non-Executive Director and Chairman
- Dr Paul Dalgleish, Managing Director and Chief Executive Officer
- Eva Skira, Independent Non-Executive Director
- Paul Dippie, Independent Non-Executive Director (retired 21 November 2017)
- Lloyd Jones, Independent Non-Executive Director
- Bruce James, Independent Non-Executive Director
- Sue Palmer, Independent Non-Executive Director

REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

PRINCIPAL ACTIVITIES

RCR is one of the leading diversified engineering and infrastructure companies in Australia, providing turnkey integrated solutions to clients in the Infrastructure, Resources and Energy sectors. RCR's operations are strategically located in key markets across Australia, New Zealand and Asia.

RCR operated through three business units during HY18 – Infrastructure, Energy and Resources.

Infrastructure is a leading provider of rail and transport, renewable energy, water, electrical, HVAC, oil & gas and technical facilities management services. The business operates through the key brands of RCR, O'Donnell Griffin, Haden and Resolve FM.

The business's core capabilities encompass; design and construction of renewable systems (solar, wind, battery and hydro); electrical and instrumentation services; railway signalling and overhead wiring systems; power generation, transmission and distribution systems and generator maintenance; high voltage cabling; switchboards and process control instrumentation; fire and data communications systems; engineering, installation and maintenance of mechanical systems and HVAC; facilities management services; and water treatment systems and technologies. The business operates in Australia, New Zealand and Vietnam.

Energy is a technology leader in power generation and energy plants. Utilising advanced technologies for a range of conventional and renewable fuels, RCR Energy delivers power stations and steam generation plants through turnkey engineering, procurement and construction projects across a diverse range of industries including infrastructure, oil & gas and mining. The business provides ongoing maintenance and shutdown services to power stations across Australia and New Zealand. RCR Energy operates with key offices in Australia, SE Asia and New Zealand.

Resources is a leading provider of engineering, construction, maintenance and shutdown services (above and below ground) to the mining, resources, oil & gas and Liquefied Natural Gas ("LNG") sectors.

The business also provides turnkey material handling solutions from design and manufacture, specialist shutdown and heat treatment services to off-site repairs and maintenance of heavy engineering equipment.

This report should be read in conjunction with RCR's 2017 Annual Report.

GROUP RESULTS

Sales Revenue from Continuing Operations of $940.1 million was up 100% on the prior comparative period of $471.0 million. The increase in revenue can predominately be attributed to the procurement and construction phase on a number of large scale solar farms.

Earnings before Interest and Tax ("EBIT") from Continuing Operations increased to $22.8 million, up 51% on the prior comparative period. The increase in EBIT compared with HY17 reflects the strong contribution from the Infrastructure business which made progress on delivery of a number of large-scale utility solar projects. Further, the Energy business improved performance was a result of the commencement of a number of projects and shutdowns. The performance of the Resources business was negatively impacted by changes to scope and time pressures on a couple of projects, which have now reached construction completion.

Net Profit after Tax ("NPAT") from Continuing Operations, was $16.3 million, up 63% on the prior comparative period, which was supported by operating cash flows of $48.7 million.

After allowing for non-recurring costs of $6.6 million (after tax) from discontinued operations, the Company recorded a statutory NPAT of $9.7 million.

SUMMARY OF RESULTS

	HY18 $M	HY17 $M
Sales Revenue from Continuing Operations	**940.1**	**471.0**
EBITDA	**32.8**	**25.2**
Depreciation	(7.0)	(6.2)
Amortisation	(3.0)	(3.9)
EBIT from Continuing Operations	**22.8**	**15.1**
EBIT Margin from Continuing Operations	***2.4%***	***3.2%***
Net Finance Costs	(1.2)	(1.9)
Profit Before Income Tax	**21.6**	**13.2**
Income Tax Expense	(5.3)	(3.2)
Profit for the Period from Continuing Operations*	**16.3**	**10.0**
Loss from Discontinued Operations	(6.6)	(1.0)
Profit Attributable to Members of RCR Tomlinson Ltd*	**9.7**	**9.0**

(Non IFRS information, unaudited, subject to rounding)
* As per the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Business Units Performance

Infrastructure

Infrastructure includes the Group's rail and transport, renewable energy, water, electrical, property services (HVAC and facilities management) and oil & gas services businesses.

Revenue increased 125.2% to a record $676.4 million in HY18 (HY17: $300.4 million) and EBIT increased 99.2% to $24.7 million (HY17: $12.4 million), which reflects a contribution of 3.7% (HY17: 4.1%).

The renewable energy and rail business lines performed strongly on the back of new contract wins whilst investing in engineering, project staff and capital expenditure ahead of new project wins.

Key contracts contributing to Infrastructure's performance include renewable energy projects for Sun Metals, Darling Downs, Manildra, Gannawarra, Oakey/Longreach, Daydream/Hayman Swan Hill and Yaloak, rail infrastructure projects for Transport for NSW, Metro Trains Melbourne and signalling works for the Northwest Rail Link Project and water projects for Water Corporation of WA, Water NSW and Sydney Water.

The property services business provided solid recurring revenues from HVAC, electrical and facilities management services and is supported by a number of long-term contracts.

Energy

The Energy division provides a broad range of services in power generation, including design and construction of power plants, maintenance and shutdown services and laser cutting services.

Revenue increased by 13.3% to $110.8 million in HY18 (HY17: $97.8 million) and EBIT increased 183.3% to $5.1 million (HY17: $1.8 million), which reflects a contribution of 4.6% (HY17: 1.8%).

Major projects during the period included PT Chandra Asri Petrochemical Indonesia, Senipah Project for PT Kartanegara Energi Perkasa, South 32 Worsley Alumina boiler upgrade, Fonterra 53MW boiler, Red Stag Timber, Mataura Valley Milk, provision of maintenance at Origin's Eraring Power Station and AGL's Liddell Power Station, Cape Lambert Power Station and the supply of RCR's proprietary air heaters to the dairy and food industry in Australia and New Zealand.

The Energy Service, Upgrades and Maintenance and Laser divisions also continue to make positive contributions to performance.

Resources

The Resources businesses provides a range of engineering, construction, maintenance and shutdown, heat treatment services and specialist equipment to the mining, resources, oil & gas and LNG sectors.

Sales Revenue increased by 41.2% to $160.8 million in HY18 (HY17: $113.9 million) and EBIT from continuing operations was a loss of $3.1 million (HY17: profit of $5.6M).

Performance was impacted by changes to scope and time pressure to complete a couple of Resources projects. These projects have now reached construction completion and are subject to resolution of a number of claims. Whilst a recoverable position is recognised in the accounts, a provision has been recognised against a portion of the claims. In addition, lower levels of activity in asset maintenance services in the Resources business lines also impacted financial performance in HY18.

The business continued to generate solid recurring revenues and contribution from new equipment and spare part sales.

Major projects during the period include Pilbara Minerals' Pilgangoora Lithium Plant Project, MMG Dugald River Project, Fortescue's Relocatable Overland Conveyor Project, FAM's Stacker & Reclaimer for Abbott Point in Queensland, rotating equipment for a Lithium refinery, Rio Tinto's Silvergrass Project and participation on BHP's Major Project Asset Panel.

A number of satellite workshops in the Pilbara region of Western Australia and South Australia were closed and a one-off non-recurring cost of $6.6 million (after tax) was recognised as discontinued operations in HY18.

CASH AND NET DEBT

Net cash increased to $84.7 million as at 31 December 2017 from $25.2 million net debt at the beginning of the period. The December 2017 net cash comprised $129.5 million cash in hand and $44.8 million in borrowings (bank borrowings and accrued interest). The increase in net cash is attributable to the capital raising in August/September (net proceeds of $87.9 million), cash generated from operations ($48.7 million) offset by capital expenditure investment ($14.5 million), FY17 dividend payment ($9.9 million), net interest paid ($1.5 million) and other payments ($0.8 million).

The Company has financing arrangements in place with the Commonwealth Bank of Australia Limited and other syndicated financiers. The Banking Facility has a term of three years and expires on 14 December 2019.

In December 2017, the Company extended its multicurrency contingent instrument bank guarantee facility by a further $100 million to $295 million and increased the allowable Insurance Bonding limit from $200 million to $250 million.

The Banking Facility, together with Insurance Bonding Facilities, provides RCR with access to ongoing working capital for RCR's operations.

The Banking Facility comprises:

- a senior debt facility of $46.25 million, subject to repayments of $5 million per quarter;
- a multi option facility of $75 million, for working capital, which includes overdraft, cash advance and business card facilities; and
- a multicurrency contingent instrument facility of $295 million, which includes trade finance and bank guarantee facilities.

In addition to the Banking Facility, RCR has Insurance Bonding Facilities totalling $250 million.

CAPITAL STRUCTURE

At 31 December 2017, there were 165,358,044 ordinary fully paid shares on issue (June 2017: 139,963,412) and 3,729,340 performance rights on issue (June 2017: 5,464,960).

On 24 August 2017, the Company announced a Capital Raising by way of a fully underwritten Institutional Placement and non-underwritten Share Purchase Plan. The Institutional Placement and Share Purchase Plan raised $87.9 million (inclusive of fees paid) through the issue of 25,394,632 ordinary shares at $3.55 per share.

DIVIDENDS

HY18 Interim Dividend

On 20 February the Directors declared an Interim Dividend of 2.5 cents per share unfranked. The Interim Dividend will be paid to holders of fully paid ordinary shares on the Company's register at 15 March 2018 with payment to be made on 5 April 2018. (HY17: No Interim Dividend was declared).

FY17 Final Dividend

In respect of FY17, the Directors declared the payment of a Final Dividend of 6.0 cents per share unfranked to the holders of fully paid ordinary shares on the Company's register at 21 September 2017 with payment made on 5 October 2017. The Final Dividend paid was $9.9 million.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as disclosed elsewhere in the Directors' Report, in the opinion of the Directors there were no significant changes in the state of affairs of the consolidated entity that occurred during the period under review.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

There has not arisen, in the interval between the end of the reporting period and the date of this report, any item, transaction or events of a material or unusual nature which, in the opinion of the Directors has, or may, significantly affect the operations or financial position of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future periods.

LIKELY DEVELOPMENTS

Further information about the likely developments in the operations of the consolidated entity and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the consolidated entity.

AUDITOR'S INDEPENDENCE DECLARATION

Deloitte Touche Tohmatsu continues as external auditor in accordance with section 327 of the *Corporations Act 2001*. The Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6 and forms part of this report.

ROUNDING OF AMOUNTS

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016. In accordance with that Corporations Instrument, amounts in the Directors' Report) and Financial Statements have been "rounded off" to the nearest thousand, unless otherwise indicated.

Signed in accordance with a resolution of Directors made pursuant to s.306(3) of the *Corporations Act 2001*.

On behalf of the Directors,

R Brown.

Roderick Brown
Chairman
RCR Tomlinson Ltd
Sydney, 21 February 2018

Deloitte.

Deloitte Touche Tohmatsu
A.B.N. 74 490 121 060

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1217 Australia

DX 10307SSE
Tel: +61 (0) 2 9322 7000
Fax: +61 (0) 2 9322 7001
www.deloitte.com.au

The Board of Directors
RCR Tomlinson Ltd
Level 23, Gateway
1 Macquarie Place
Sydney NSW 2000

21 February 2018

Dear Board Members

RCR Tomlinson Ltd

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of RCR Tomlinson Ltd.

As lead audit partner for the review of the financial statements of RCR Tomlinson Ltd for the half-year ended 31 December 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

DELOITTE TOUCHE TOHMATSU

AG Collinson
Partner
Chartered Accountants

	Note	31 Dec 17 $'000	31 Dec 16 $'000
Continuing Operations			
Sales Revenue		940,082	470,973
Cost of Sales		(896,703)	(436,980)
Gross Profit		**43,379**	**33,993**
Other Income		1,427	978
Administrative Expenses		(20,669)	(19,335)
Finance Costs		(1,441)	(1,962)
Other Expenses		(1,135)	(490)
		(21,818)	(20,809)
Profit Before Income Tax		**21,561**	**13,184**
Income Tax Expense		**(5,347)**	**(3,194)**
Profit for the Period from Continuing Operations		**16,214**	**9,990**
Discontinued Operations			
Loss for the Period from Discontinued Operations	5	(6,604)	(1,023)
Profit for the Period		**9,610**	**8,967**
Other Comprehensive Income, Net of Tax			
Items that may be Reclassified Subsequently to Profit or Loss:			
Exchange Difference on Translation of Foreign Operations		(1,652)	692
Loss on Foreign Exchange Contracts Entered into for FX Hedges		(4,220)	(330)
Other Comprehensive (Loss)/Income for the Period, Net of Income Tax		**(5,872)**	**362**
Total Comprehensive Income for the Period		**3,738**	**9,329**
Earnings per Share			
From Continuing and Discontinued Operations			
Basic Earnings per Share (cents per share)		5.97	6.41
Diluted Earnings per Share (cents per share)		5.84	6.24
From Continuing Operations			
Basic Earnings per Share (cents per share)		10.08	7.14
Diluted Earnings per Share (cents per share)		9.85	6.96

	Note	31 Dec 17 $'000	30 Jun 17 $'000
Current Assets			
Cash and Cash Equivalents		129,473	29,656
Trade and Other Receivables	6	610,814	416,472
Inventories		13,957	14,280
Other Current Assets		10,465	9,543
Total Current Assets		**764,709**	**469,951**
Non-Current Assets			
Property, Plant and Equipment		57,031	50,942
Deferred Tax Assets		46,191	47,741
Goodwill		141,440	141,440
Other Intangible Assets		62,826	65,814
Total Non-Current Assets		**307,488**	**305,937**
Total Assets		**1,072,197**	**775,888**
Current Liabilities			
Trade and Other Payables	7	534,058	343,522
Borrowings		19,341	19,469
Current Tax Liabilities		855	709
Provisions		44,729	44,553
Deferred Revenue		48,582	16,457
Total Current Liabilities		**647,565**	**424,710**
Non-Current Liabilities			
Borrowings		25,499	35,342
Provisions		4,948	4,200
Total Non-Current Liabilities		**30,447**	**39,542**
Total Liabilities		**678,012**	**464,252**
Net Assets		**394,185**	**311,636**
Equity			
Issued Capital	3	224,532	136,668
Reserves		(17,484)	(12,480)
Retained Earnings		187,137	187,448
Total Equity		**394,185**	**311,636**

	Note	Issued Capital $'000	Equity-Settled Employee Benefits Reserve $'000	Foreign Currency Translation Reserve $'000	Other Reserves $'000	Retained Earnings $'000	Total $'000
Balance at 1 July 2016		**136,488**	**(12,688)**	**2,446**	**(46)**	**161,772**	**287,972**
Profit for the Period		-	-	-	-	8,967	8,967
Other Comprehensive Income		-	-	692	(330)	-	362
Total Comprehensive Income for the Period		**-**	**-**	**692**	**(330)**	**8,967**	**9,329**
Acquisition of Treasury Shares – On Market		(241)	-	-	-	-	(241)
Issue of Treasury Shares to Employees		417	(417)	-	-	-	-
Share Buy-Back		-	485	-	-	-	485
Share Based Payments		-	(89)	-	-	-	(89)
Dividends Paid		-	-	-	-	-	-
Balance at 31 December 2016		**136,664**	**(12,709)**	**3,138**	**(376)**	**170,739**	**297,456**
Balance at 1 July 2017		136,668	(14,203)	3,080	(1,357)	187,448	311,636
Profit for the Period		-	-	-	-	9,610	9,610
Other Comprehensive Income		-	-	(1,652)	(4,220)	-	(5,872)
Total Comprehensive Income for the Period		**-**	**-**	**(1,652)**	**(4,220)**	**9,610**	**3,738**
Issue of Shares	3	90,151	-	-	-	-	90,151
Share Issue Costs	3	(2,287)	-	-	-	-	(2,287)
Acquisition of Treasury Shares – On Market	3	(757)	-	-	-	-	(757)
Issue of Treasury Shares to Employees		757	(757)	-	-	-	-
Share Based Payments		-	1,504	-	-	-	1,504
Cash Settled Shares		-	121	-	-	-	121
Dividends Paid		-	-	-	-	(9,921)	(9,921)
Balance at 31 December 2017		**224,532**	**(13,335)**	**1,428**	**(5,577)**	**187,137**	**394,185**

	Note	31 Dec 17 $'000	31 Dec 16 $'000
Cash Flows from Operating Activities			
Receipts from Customers		817,307	463,775
Payments to Suppliers and Employees		(768,577)	(463,619)
Cash Generated From Operations		**48,730**	**156**
Income Tax Paid		(319)	(637)
Other Income		88	435
Finance Costs		(1,509)	(2,060)
Net Cash Generated/(Used in) by Operating Activities		**46,990**	**(2,106)**
Cash Flows from Investing Activities			
Interest Received		221	20
Proceeds from Sale of Property, Plant and Equipment		177	93
Purchase of Property, Plant and Equipment		(14,476)	(7,191)
Net Cash Used in Investing Activities		**(14,078)**	**(7,078)**
Cash Flows from Financing Activities			
Proceeds from Issuing Shares	3(a)	90,151	-
Payment for Share Issue Costs	3(a)	(2,287)	-
Payment for Shares Acquired by the RCR Employee Share Trust		(757)	(241)
Proceeds from Borrowings	8	-	35,000
Repayment of Borrowings	8	(10,000)	(10,000)
Dividends Paid		(9,921)	-
Net Cash Generated in Financing Activities		**67,186**	**24,759**
Net Increase in Cash and Cash Equivalents		100,098	15,575
Cash and Cash Equivalents at the Beginning of the Period		**29,656**	**15,572**
Effects of exchange rate changes on balance of cash held in foreign currencies		(281)	24
Cash and Cash Equivalents at the End of the Period		**129,473**	**31,171**

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

The Half Year Financial Report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The Half Year Financial Report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent Annual Report.

Basis of Preparation

The Half Year Financial Report covers the consolidated entity of RCR Tomlinson Ltd and its controlled entities ("RCR" or "the Company"). RCR Tomlinson Ltd is a listed public company incorporated and domiciled in Australia.

It is also recommended that the Half Year Financial Report is considered with the Company's 2017 Annual Report and together with any public announcements made by RCR during the half year ended 31 December 2017 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

The consolidated Financial Report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016. In accordance with that Corporations Instrument, amounts in the Directors' Report and Financial Statements have been "rounded off" to the nearest thousand, unless otherwise indicated.

Significant judgement, estimates and assumptions about future events are made by Management when applying accounting policies and preparing the Half Year Financial Report. This is consistent with those described in the 2017 Annual Report.

NOTE 2. APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS

2.1 Application of New and Revised Australian Accounting Standards

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the "AASB") that are relevant to their operations and effective for the current half year.

New and revised Standards and amendment thereof and interpretations effective for the current half year that are relevant to RCR include:

Amendments to AASB 12 – Recognition of Deferred Tax Assets for Unrealised Losses

The Company has applied this amendment for the first time in the current year. The amendments clarify how an entity should evaluate whether there will be sufficient future taxable profits against which it can utilise a deductible temporary difference.

The applicate of this amendment has had no impact on the Company's consolidated financial statements as the Company already assesses the sufficiency of future taxable profits in a way that is consistent with these amendments.

AASB 2017-1 Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2014-2016 Cycle

The amendments to AASB 12 Disclosure of Interests in Other Entities states that an entity need not provide summarised financial information for interests in subsidiaries, associates or joint ventures that are classified (or included in a disposal group that is classified) as held for sale. The amendments clarify that this is the only concession from the disclosure requirements of AASB 12 for such interests.

The application of these amendments has had no effect on the Company's consolidated financial statements.

2.2 New and Revised Australian Accounting Standards in Issue but Not Yet Effective

At the date of authorisation of the Financial Statements, the following new and revised Australian Accounting Standards that have been issued but are not yet effective.

AASB 15 Revenue from Contracts with Customers

AASB 15 replaces all current guidance on revenue recognition from contracts with customers. It requires identification of discrete performance obligations within a transaction and an associated transaction price allocation to these obligations. Revenue is recognised upon satisfaction of these performance obligations, which occur when control of the goods and services are transferred to the customer. Revenue is received for a contract that includes a variable amount is subject to revised conditions for recognition, whereby it must be highly probable that no significant reversal of the variable component may occur when the uncertainties around its measurement are removed.

NOTE 2. APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS (CONTINUED)

AASB 15 also specifies the accounting treatment for costs incurred to obtain and fulfil a contract. Incremental costs are recognised as an asset if the entity expects to recover them. Any capitalised contract costs are amortised on a systematic basis that is consistent with the transfer of the related goods and services.

The Company will first apply AASB 15 in the financial year beginning 1 July 2018 and is expected to apply the standard retrospectively, recognising the cumulative effect of initially applying the standard as an adjustment to the opening balance of retained earnings. We are currently working through the impact of AASB 15 and the impacts this will have on the Company.

AASB 16 Leases

AASB 16 replaces the current AASB 117 Leases standard and sets out a comprehensive model for identifying lease arrangements and the subsequent measurement. A contract contains a lease if it conveys the right to control the use of an identified asset for a period of time. The majority of leases from the lessee perspective within the scope of AASB 16 will require the recognition of a 'right to use' asset and a related lease liability, being the present value of future lease payments. This will result in an increase in the recognised assets and liabilities in the statement of financial position as well as change in expense recognition, with interest and depreciation replacing operating lease expense.

AASB 16 is effective for the Company for the annual periods beginning 1 July 2019 with the option to early adopt in the financial year beginning 1 July 2018. The Company is expected to apply the standard retrospectively, recognising the cumulative effect of initially applying the standard as an adjustment to the opening balance of retained earnings. Alternative methods of calculating the 'right of use' asset are allowed under AASB 16 which impacts the size of the transition adjustment. The Company is still evaluating which method to apply.

NOTE 3. ISSUED CAPITAL	No. Of Shares '000	Shares $'000
(a) Fully Paid Ordinary Shares		
Balance as at 1 July 2017	**139,963**	**136,673**
Issue of Ordinary Shares	25,395	90,151
Share Issue Costs	-	(2,287)
Balance as at 31 December 2017	**165,358**	**224,537**
(b) Treasury Shares		
Balance as at 1 July 2017	**(2)**	**(5)**
Acquisition of On-Market Shares by the Trust	(186)	(757)
Issue of Shares Under the Performance Incentive Plan	171	697
Issue of Shares for Dividend Uplift on Vesting of Performance Rights	15	60
Balance as at 31 December 2017	**(2)**	**(5)**
Balance of Issued Capital as at 1 July 2017	**139,961**	**136,668**
Balance of Issued Capital as at 31 December 2017	**165,356**	**224,532**

At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. Treasury shares are shares in RCR Tomlinson Ltd that are held by the RCR Employee Share Trust for the purpose of issuing shares under the equity based incentive schemes.

On 24 August 2017, the Company announced a Capital Raising by way of a fully underwritten Institutional Placement and non-underwritten Share Purchase Plan. The Institutional Placement and Share Purchase Plan raised $90,150,944 through the issue of 25,394,632 ordinary shares at $3.55 per share.

NOTE 4. SEGMENT REPORTING

Operating Segments

AASB 8 Operating Segments require the entity to identify operating segments and disclose segment information on the basis of internal reports that are provided to, and reviewed by, the chief operating decision maker of the consolidated entity to allocate resources and assess performance. In the case of the consolidated entity, the chief operating decision maker is the Board of Directors. Operating segments now represent the basis on which the Company reports its segment information to the Board on a monthly basis.

RCR operates in the following three segments:

Infrastructure is a leading provider of rail and transport, renewable energy, water, electrical, HVAC, oil & gas and technical facilities management services. The business operates through the key brands of RCR, O'Donnell Griffin, Haden and Resolve FM.

The businesses core capabilities encompass; design and construction of renewable systems (solar and wind); electrical and instrumentation services; railway signalling and overhead wiring systems; power generation, transmission and distribution systems and generator maintenance; high voltage cabling; switchboards and process control instrumentation; fire and data communications systems; engineering, installation and maintenance of mechanical systems and HVAC; facilities management services; and water treatment systems and technologies. The business operates in Australia, New Zealand and Vietnam.

Energy is a technology leader in power generation and energy plants. Utilising advanced technologies for a range of conventional and renewable fuels, RCR Energy delivers power stations and steam generation plants through turnkey engineering, procurement and construction projects across a diverse range of industries including infrastructure, oil & gas and mining. The business provides ongoing maintenance and shutdown services to power stations across Australia and New Zealand. RCR Energy operates with key offices in Australia, SE Asia and New Zealand.

Resources is a leading provider of engineering, construction, maintenance and shutdown services (above and below ground) to the mining, resources, oil & gas and Liquefied Natural Gas ("LNG") sectors.

The business also provides turnkey material handling solutions from design and manufacture, specialist shutdown and heat treatment services to off-site repairs and maintenance of heavy engineering equipment.

Discontinued Operations

The segment information reported below does not include the results for discontinued operations. Further details are set out in Note 5.

NOTE 4. SEGMENT REPORTING (CONTINUED)

Accounting Policies

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of receivables, inventories, intangibles and property, plant and equipment, net of allowances and accumulated depreciation and amortisation. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis.

	Infrastructure		Energy		Resources		Corporate *		Consolidated Group	
	HY18 $'000	HY17 $'000	HY18 $'000	HY17 $'000	HY18 $'000	HY17 $'000	HY18 $'000	HY17 $'000	HY18 $'000	HY17 $'000
Sales Revenue	**676,447**	**300,389**	**110,848**	**97,785**	**160,836**	**113,894**	**(8,049)**	**(41,095)**	**940,082**	**470,973**
Segment EBIT	**24,720**	**12,411**	**5,121**	**1,757**	**(3,116)**	**5,616**	**(3,967)**	**(4,658)**	**22,758**	**15,126**
Interest Received	-	-	-	-	-	-	244	20	244	20
Finance Costs	-	-	-	-	-	-	(1,441)	(1,962)	(1,441)	(1,962)
Profit Before Income Tax	**24,720**	**12,411**	**5,121**	**1,757**	**(3,116)**	**5,616**	**(5,164)**	**(6,600)**	**21,561**	**13,184**
Income Tax Expense	-	-	-	-	-	-	(5,347)	(3,194)	(5,347)	(3,194)
Profit for the Period from Continuing Operations	**24,720**	**12,411**	**5,121**	**1,757**	**(3,116)**	**5,616**	**(10,511)**	**(9,794)**	**16,214**	**9,990**

Assets	Dec 2017	Jun 2017	Dec 2017	Jun 2017	Dec 2017	Jun 2017	Dec 2017	Jun 2017	Dec 2017	Jun 2017
Segment Assets	688,488	486,638	111,591	114,326	142,359	123,491	127,660	47,939	1,070,098	772,394
Assets Relating to Discontinued Operations	-	-	-	-	2,099	3,494	-	-	2,099	3,494
Total Assets	**688,488**	**486,638**	**111,591**	**114,326**	**144,458**	**126,985**	**127,660**	**47,939**	**1,072,197**	**775,888**

* The Corporate segment includes intercompany and consolidation eliminations.

NOTE 5. DISCONTINUED OPERATIONS

During HY18, the Company completed a review of its satellite workshops operating in the Resources sector and determined that these businesses were not economically viable. As a result these businesses were discontinued in HY18.

(a) Analysis for Loss for the Year from Discontinued Operations

The combined results of the discontinued operations included in the profit for the year are set out below. The comparative from discontinued operations have been re-presented to include those operations classified as discontinued in the current year.

	31 Dec 17 $'000	31 Dec 16 $'000
Loss for the Year from Discontinued Operations		
Sales Revenue	7,341	13,439
Expenses	(16,775)	(14,901)
Loss Before Income Tax	**(9,434)**	**(1,462)**
Attributable Income Tax Benefit	2,830	439
Loss for the Year from Discontinued Operations	**(6,604)**	**(1,023)**

NOTE 6. TRADE AND OTHER RECEIVABLES

	31 Dec 17 $'000	30 Jun 17 $'000
Trade Receivables	118,473	131,940
Provision for Impairment of Receivables	(932)	(854)
Net Trade Receivables	**117,541**	**131,086**
Amounts Due from Customers Under Construction Contracts	493,273	285,386
Total Trade and Other Receivables	**610,814**	**416,472**

Trade receivables are generally on 30 - 60 day terms from the end of the month. With respect to trade receivables that are neither impaired nor past due, there are no indications as at the reporting date that the debtors will not meet their payment obligations.

Amounts due from customers under construction contract increased in HY18 as a result of a large number of projects commencing and the progress on projects that commenced in the second half of FY17. The increase in total trade and other receivables is mirrored by an increase in total trade and other payables. This increase represents the supplier commitments and their progress for the construction of the projects.

Included within Note 6 are project receivables associated with RCR delivering large scale construction projects. Project receivables are amounts due to RCR from customers that have not been invoiced. Some of these project receivables are made up of claims and variations, both approved and not approved by the customer. Estimates are made in relation to claim and variation positions and Management assesses the recovery prior to recognising the amount in the Financial Statements.

NOTE 7. TRADE AND OTHER PAYABLES

	31 Dec 17 $'000	30 Jun 17 $'000
Trade Payables	108,671	91,454
Accrued Expenses	409,316	245,006
Sundry Payables	16,071	7,062
Total Trade and Other Payables	**534,058**	**343,522**

NOTE 8. BORROWINGS

Banking and Insurance Bonding Facilities

The Company has financing arrangements in place with the Commonwealth Bank of Australia Limited and other syndicated financiers. The Banking Facility has a term of three years and expires on 14 December 2019.

In December 2017, the Company extended its multicurrency contingent instrument bank guarantee facility by a further $100 million to $295 million and increased the allowable Insurance Bonding limit from $200 million to $250 million.

The Banking Facility, together with Insurance Bonding Facilities, provides RCR with access to ongoing working capital for RCR's operations. At 31 December 2017 the Banking Facility comprises:

- a senior debt facility of $46.25 million, subject to repayments of $5 million per quarter;
- a multi option facility of $75 million, for working capital, which includes overdraft, cash advance and business card facilities; and
- a multicurrency contingent instrument facility of $295 million, which includes trade finance and bank guarantee facilities.

In addition to the Banking Facility, RCR has Insurance Bonding Facilities totalling $250 million.

NOTE 9. CONTINGENT LIABILITIES AND COMMITMENTS

Performance Guarantees

RCR has indemnified its bankers and insurance bond providers in respect of bank guarantees, insurance bonds and letters of credit to various customers and suppliers for satisfactory contract performance and warranty security, in the following amounts:

31 December 2017:	Bank Guarantees	$190,396,197
	Insurance Bonds	$108,862,455
31 December 2016:	Bank Guarantees	$38,661,506
	Insurance Bonds	$62,917,450

Claims

The Company carries the normal contractor's and consultant's liability in relation to services, supply and construction contracts. Potential liability may arise from claims, disputes and/or litigation/arbitration by or against the Company. The Company is managing a number of claims, disputes and/or litigation/arbitration matters in relation to services, supply and construction contracts. Based on current available information, the Directors do not consider the outcome of any of these claims will be materially different to the position taken in the financial accounts of the consolidated entity.

NOTE 10. EVENTS AFTER BALANCE SHEET DATE

The Directors have recommended an Interim Dividend payment of 2.5 cents per share unfranked.

Other than the above, no matter or circumstance has arisen since 31 December 2017 that has significantly affected, or may significantly affect:

(a) the Company's operations in future financial years, or

(b) the results of those operations in future financial years, or

(c) the Company's state of affairs in future financial years.

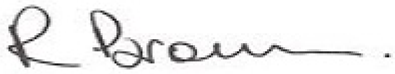
The Directors declare that:

(a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors,



Roderick J M Brown
Director
RCR Tomlinson Ltd
Sydney, 21 February 2018

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1217 Australia

DX 10307SSE
Tel: +61 (0) 2 9322 7000
Fax: +61 (0) 2 9322 7001
www.deloitte.com.au

Independent Auditor's Review Report to the members of RCR Tomlinson Ltd

We have reviewed the accompanying half-year financial report of RCR Tomlinson Ltd, which comprises the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 7 to 17.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the RCR Tomlinson Ltd's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of RCR Tomlinson Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of RCR Tomlinson Ltd, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of RCR Tomlinson Ltd is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the company's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU

AG Collinson
Partner
Chartered Accountants
Sydney, 21 February 2018