19 February 2015

RCR FINANCIAL RESULTS FOR THE HALF YEAR ENDED 31 DECEMBER 2014: RESULTS FOR ANNOUNCEMENT TO THE MARKET

In accordance with Listing Rule 4.2A, RCR Tomlinson Ltd (ASX: RCR) enclose for immediate release the following information:

1. Appendix 4D; and

2. RCR Financial Report for the Half-Year Ended 31 December 2014.

For further information please contact:

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About RCR

RCR Tomlinson Ltd (ASX:RCR) (RCR) is a diversified engineering company providing turnkey integrated solutions to blue chip clients in the resources, energy and infrastructure sectors. RCR together with its brands O'Donnell Griffin and Haden, have collectively over 300 years of experience.

RCR's core capabilities encompass, structural, mechanical, piping and electrical disciplines, including communications, railway signalling and overhead wiring systems; OEM supply of materials handling and process equipment; asset maintenance and repair services; HVAC; and design and construction of power and steam generation plants, using a wide range of fuels.

RCR has operations across Australia, Asia, Vietnam and New Zealand. Additional information is available at www.rcrtom.com.au

RCR Limited Tomlinson

Appendix 4D – Half Year Report

Results for announcement to the market

Half Year Report for the six months ending 31 December 2014

RCR Tomlinson Ltd | ABN 81 008 898 486

The current reporting period is the Half Year ended 31 December 2014.

The previous corresponding period is the Half Year ended 31 December 2013.

RESULTS FOR ANNOUNCEMENT TO THE MARKET	Up / Down	Movement		$'Million
Revenue from ordinary activities	Down	16.7%	to	584.5
Net Profit after tax from ordinary activities	Up	3.9%	to	19.0
Net Profit after tax for the period attributable to members	Up	3.9%	to	19.0

DIVIDEND INFORMATION	Amount per share	Franked Amount per share	Tax Rate for Franking Credit
2015 Interim Dividend per share	3.5 cents	3.5 cents	30%

2015 Interim Dividend Dates	Date
Record Date for determining entitlements to the 2015 Interim Dividend	12 March 2015
Payment Date for the 2015 Interim Dividend	7 April 2015

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

NTA BACKING

Net tangible asset backing per ordinary share is 72.5 cents per share (2013: 43.3 cents per share).

COMMENTARY ON THE RESULTS FOR THE PERIOD

This report should be read in conjunction with the attached Directors' Report, Audited Financial Statements and notes contained in the Half Year Financial Report.

AUDIT STATUS

The results are based on accounts which have been subject to an audit review and the Audit 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 ending 31 December 2014.

Chief Financial Officer
Andrew Phipps

Date: 19 February 2015

(ABN 81 008 896 486)

RCR TOMLINSON LTD

Half Year Financial Report

For the Half Year Ended 31 December 2014

DIRECTORS' REPORT

The Directors present their report on the consolidated entity comprising RCR Tomlinson Ltd ("RCR" or "the Company") and its controlled entities ("the consolidated entity") for the six months ended 31 December 2014 ("HY15"). 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
- Lloyd Jones, Independent Non-Executive Director
- Bruce James, Independent Non-Executive Director
- Sue Palmer, Independent Non-Executive Director (Appointed 21 August 2014)

REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

PRINCIPAL ACTIVITIES

RCR is a diversified engineering and infrastructure company providing turnkey integrated solutions to clients in the Infrastructure, Energy and Resources sectors. RCR has operations across Australia, Asia and New Zealand.

RCR operated through three business units during the financial period – Infrastructure, Energy and Resources. Commentary on the financial performance of the business units is provided below.

Infrastructure – RCR Infrastructure is a leading provider of electrical, rail and transport, HVAC (heating, ventilation and air conditioning) and technical facilities management services. The business operates under its key brands of RCR Power, O'Donnell Griffin, Haden and Resolve FM.

The businesses core capabilities encompass; 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; installation and maintenance of mechanical engineering and HVAC; facilities management services; and water treatment systems and technologies. The business operates in Australia, New Zealand and Vietnam.

Energy – RCR 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 operates with key offices in Australia, SE Asia and New Zealand.

Resources – RCR Resources is a leading provider of engineering, construction, maintenance and shutdown services (above and below ground) to the Mining, Resources, Oil & Gas and LNG sectors.

The business also provides turnkey material handling solutions including design and manufacture, specialist shutdown services, heat treatment services and off-site repairs and maintenance of heavy engineering componentry. The business in Australia operates a number of regional workshops in WA (including the Pilbara region), SA, Queensland and NSW.

This report should be read in conjunction with the most recent annual financial report.

GROUP RESULTS

The consolidated entity recorded Net Profit after Tax ("NPAT") of $19.0 million, representing a 3.9% increase from the prior comparable period (HY14: $18.3 million).

SUMMARY OF RESULTS

	HY15 $M	HY14 $M
Revenue	**584.5**	**701.7**
EBITDA (before non-recurring items)	39.6	40.7
Depreciation	(7.0)	(7.4)
Amortisation	(3.8)	(3.4)
EBIT (before non-recurring items)	**28.8**	**29.9**
EBIT Margin	**4.9%**	**4.3%**
Non-recurring items	1.3	(3.7)
EBIT	**30.1**	**26.2**
Net Interest	(2.9)	(2.8)
Profit Before Income Tax	**27.2**	**23.4**
Income Tax	(8.2)	(5.1)
Profit Attributable to Members of RCR Tomlinson Ltd	**19.0**	**18.3**

Profit before tax ("PBT") increased by 16%, from $23.4 million to $27.2 million. Included in the HY15 PBT is profit on the sale of properties ($11.8 million) less non-recurring capital management initiatives and business rationalisation costs totalling $10.5 million. Included in the prior comparative period PBT were $3.7 million of non-recurring transaction costs relating to the acquisition of Norfolk.

HY15 non-recurring capital management initiatives and business rationalisation costs:

	$M
Non-Recurring Movements	
Profit on Property Sales	11.8
Property Rationalisation Costs	(4.6)
Surplus Vehicles/Equipment	(2.5)
Stock Provisions	(2.3)
Bank Facility Fee Write Off	(1.1)
Total Non-Recurring Movements	**1.3**

- **Profit on Property Sales** [1] - In December 2014 the Company entered into a sale and leaseback arrangement with Heathley Asset Management Limited for three properties and Charter Hall for a fourth property. Net proceeds (inclusive of costs to sell) less the net book value and provisions for obligations under the leaseback contracts resulted in a profit of $11.8 million in HY15.
- **Property Rationalisation Costs** [2] - During HY15 the Company reviewed its property portfolio across Australia and New Zealand and rationalised duplicated locations. The rationalisation resulted in a number of properties becoming surplus to the Group's requirements.
- **Surplus Vehicles / Equipment** [2] - As part of the Company's rationalisation initiatives, a detailed review was conducted of the Company's vehicles/equipment under operating leases and a number of items surplus to requirements have been identified.
- **Stock Provisions** [2] - As a result of certain project delays, the Company has provided against the carrying value of specific inventory, including spare parts.
- **Bank Facility Fee Write Off** [2] - The renewal of the Banking Facility in December 2014 resulted in the write-off of the remaining bank facility fees associated with the Company's July 2013 Banking Facility.

[1] The gain on sale, net of costs to sell ($15.0 million) is disclosed in Other Income and the provisions for obligations under leaseback contracts is disclosed in Administrative Expenses ($3.2 million) in the Consolidated Profit or Loss.

[2] These non-recurring costs are disclosed in Administrative Expenses ($10.5 million) in the Consolidated Profit or Loss.

Business Units Performance

Infrastructure

Revenues at $354.8 million were slightly down on last year (HY14: $358.5 million). Whilst HY14 revenues only included 5 months of the ex Norfolk business, they did include RCR Power's allocation of the Solomon Project as mentioned in the Resources business performance. Earnings at $17.8 million (HY14: $12.4 million) reflect an EBIT contribution of 5%.

Key contracts included the Legacy Way Tunnel Project, Novo Rail Alliance works for Transport for NSW, Sydney Water's renewal programme and Public Transport Authority works in Perth.

Energy

Sales Revenue for the period was steady at $90.2 million in HY15 compared with HY14 ($90.8 million). Earnings were also steady at $4.6 million (margin of 5.2%) compared with $4.9 million in HY14.

Key contracts included work for Alinta Energy, Thai Oil, Orica, Fonterra and Nestle. The Energy Service, Laser and Upgrades and Maintenance divisions continue to make positive contributions to performance.

Resources

Sales Revenue decreased by 38% in HY15 to $171.6 million (HY14: $276.7 million). The reduction in revenues is attributable to the successful completion in HY14 of two ore processing facilities for Fortescue at its Solomon Mine. Earnings decreased by 36% in HY15 to $11.0 million (HY14: $17.1 million) reflecting the reduction in revenue. However, margins increased to 6.4% in HY15 compared with 6.2% in HY14.

Key contracts included the extension at Newcrest's Cadia operations, Rio Tinto's Mesa J and West Angelas Deposit B, SITA Composters and BHP's Bulking in Hoppers. Off-site repair, heat treatment and maintenance activities in our Welshpool and regional workshops continue to generate solid recurring incomes.

CASH AND NET DEBT

Net debt decreased to $18.1 million as at 31 December 2014, down from $57.2 million at the beginning of the period. The December 2014 net debt comprised $73.0 million cash in hand and $91.1 million in borrowings (bank borrowings, accrued interest and finance lease liabilities).

On 4 December 2014, the Company announced the renewal of its banking facility with Commonwealth Bank of Australia. The banking facility provides access to ongoing working capital for RCR's operations.

The three year banking facility (Expiring November 2017) comprises:

- Senior debt facility of $90 million;
- A multicurrency contingent instrument facility of $95 million, which includes trade finance and bank guarantee facilities; and
- A multi option facility of $75 million, for working capital, which includes overdraft, cash advance and business credit cards.

At 31 December 2014, the Company has $39.6 million debt disclosed as current borrowings. The balance includes $18.75 million, which was repaid in early January 2015 as a result of the property sales. At the time of this repayment the remaining outstanding senior debt was $71.25 million and is subject to repayments of $5 million per quarter.

RCR's gearing ratio of net debt / (net debt + equity) at 31 December 2014 was 5.7%. (June 2014: 16.5%)

CAPITAL STRUCTURE

At 31 December 2014, there were 138,960,668 ordinary fully paid shares on issue (June 2014: 136,989,238), no options (June 2014: 1,400,000) and 4,805,500 rights on issue (June 2014: 6,163,018).

On 4 December 2014, the Company announced an on market buy-back for up to 2 million ordinary fully paid shares. At the date of this report the Company had acquired 255,353 ordinary fully paid shares under the buy-back arrangement for a consideration of $573,764.

DIVIDENDS

FY14 Final Dividend

On 3 October 2014, a fully franked Final Dividend of 7.00 cents per share was paid in respect of FY14, an increase of 21.7% on the previous year of 5.75 cents per share. The Final Dividend paid amounted to $9.7 million.

HY15 Interim Dividend

On 18 February 2015, the Directors declared an increase in the fully franked Interim Dividend to 3.50 cents per share. The interim dividend is up 17% on the previous year of 3.00 cents per share. The record date for entitlement to the Interim Dividend will be 12 March 2015 and the payment date will be 7 April 2015. The amount of this Interim Dividend is $4.9 million. The Company's Dividend Re-investment Plan will not operate in respect of the Interim Dividend.

EMPLOYEES

The consolidated entity employed 3,926 employees as at 31 December 2014 (30 June 2014: 3,943).

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

On 18 February 2015, the Directors declared a fully franked dividend of 3.50 cents per share. The dividend will be payable on 7 April 2015 to shareholders on record as at 12 March 2015. In January, the Company repaid $18.75 million of senior debt as a result of the sale of properties.

There has not arisen, in the interval between the end of the reporting period and the date of this report, any item, transaction or event 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.

AUDITORS' 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 OFF OF AMOUNTS

The Company is a company of the kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission ("ASIC") and dated 10 July 1998. In accordance with that Class Order, amounts in the Directors' Report (excluding certain remuneration tables in the Remuneration Report) and Financial Statements have been "rounded off" to the nearest $1,000, 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
Perth, 18 February 2015

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The Board of Directors
RCR Tomlinson Ltd
Level 6, 251 St Georges Terrace
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18 February 2015

Dear 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 2014, 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 sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

A T Richards

A T Richards
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation
Member of Deloitte Touche Tohmatsu Limited

	Note	31 Dec 14 $'000	31 Dec 13 $'000
Sales Revenue		584,462	701,668
Cost of Sales		(530,524)	(644,688)
Gross Profit		53,938	56,980
Other Income		16,496	2,214
Administrative Expenses		(37,429)	(27,710)
Finance Costs		(3,365)	(3,057)
Transaction Costs Associated with Norfolk Acquisition		-	(3,743)
Other Expenses		(2,486)	(1,237)
		(26,784)	(33,533)
Profit Before Income Tax for The Year		27,154	23,447
Income Tax Expense		(8,146)	(5,157)
Profit After Income Tax for the Year		19,008	18,290
Items that may be reclassified subsequently to profit or loss:			
Exchange Difference on Translation of Foreign Operations		438	2,007
Gain on Foreign Exchange Contracts Entered into for Cash Flow Hedges		250	(17)
Gain on Interest Rate Swap Contracts Entered into for Borrowing Hedges		118	-
Other Comprehensive Income for the Year, net of Income Tax		806	1,990
Total Comprehensive Income for the Year		19,814	20,280
Earnings per Share:			
Basic Earnings per Share (cents per share)		13.8	13.6
Diluted Earnings per Share (cents per share)		13.3	13.0

	Note	31 Dec 14 $'000	30 Jun 14 $'000
Current Assets			
Cash and Cash Equivalents		73,019	42,594
Trade and Other Receivables		218,380	226,434
Inventories		18,323	20,229
Non-Current Assets Held for Sale		1,821	1,766
Current Tax Assets		-	2,899
Other Current Assets		9,123	5,834
Total Current Assets		**320,666**	**299,756**
Non-Current Assets			
Property, Plant and Equipment		49,864	74,821
Deferred Tax Assets		51,313	58,696
Goodwill		117,575	117,575
Other Intangible Assets		83,000	86,798
Other Non-Current Assets		-	2
Total Non-Current Assets		**301,752**	**337,892**
Total Assets		**622,418**	**637,648**
Current Liabilities			
Trade and Other Payables		145,709	134,803
Lease Liabilities		230	257
Borrowings	7	39,553	20,233
Provisions		68,068	68,729
Deferred Revenue		12,427	41,255
Total Current Liabilities		**265,987**	**265,277**
Non-Current Liabilities			
Lease Liabilities		44	50
Borrowings	7	51,250	79,292
Provisions		3,889	3,894
Total Non-Current Liabilities		**55,183**	**83,236**
Total Liabilities		**321,170**	**348,513**
Net Assets		**301,248**	**289,135**
Equity			
Issued Capital	4	134,394	128,430
Reserves		(8,859)	(5,730)
Retained Earnings		175,713	166,435
Total Equity		**301,248**	**289,135**

	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 2013		114,284	4,407	(774)	(241)	135,032	252,078
Profit for the Period		-	-	-	-	18,290	18,290
Other Comprehensive Income		-	-	2,007	(17)	-	1,990
Total Comprehensive Income for the Year		-	-	2,007	(17)	18,290	20,280
Issue of Treasury Shares to Employees		13,348	(13,348)	-	-	-	-
Share Based Payments		-	1,289	-	-	-	1,289
Dividends Paid		-	-	-	-	(7,788)	(7,788)
Balance at 31 December 2013		**127,632**	**(7,652)**	**1,233**	**(258)**	**145,534**	**266,489**
Balance at 1 July 2014		**128,430**	**(6,770)**	**1,595**	**(555)**	**166,435**	**289,135**
Profit for the Period		-	-	-	-	19,008	19,008
Other Comprehensive Income		-	-	438	368	-	806
Total Comprehensive Income for the Year		**-**	**-**	**438**	**368**	**19,008**	**19,814**
Acquisition of Treasury Shares – On Market		(215)	-	-	-	-	(215)
Issue of Treasury Shares to Employees		6,264	(6,264)	-	-	-	-
Share Buy Back		(85)	-	-	-	-	(85)
Share Based Payments		-	2,329	-	-	-	2,329
Dividends Paid		-	-	-	-	(9,730)	(9,730)
Balance at 31 December 2014		**134,394**	**(10,705)**	**2,033**	**(187)**	**175,713**	**301,248**

	Note	31 Dec 14 $'000	31 Dec 13 $'000
Cash Flows from Operating Activities			
Receipts from Customers		628,077	759,935
Payments to Suppliers and Employees		(610,481)	(781,887)
Cash Generated/(Used) From Operations		**17,596**	**(21,952)**
Income Tax Refund/(Payment)		2,166	(4,328)
Other Income		51	29
Finance Costs		(3,125)	(152)
Net Cash Generated/(Used) by Operating Activities		**16,688**	**(26,403)**
Cash Flows from Investing Activities			
Interest Received		445	295
Proceeds from Sale of Property, Plant and Equipment		37,294	271
Purchase of Property, Plant and Equipment		(4,187)	(4,193)
Payment for Subsidiary and Other Businesses, Net of Cash Acquired	6	-	(64,572)
Net Cash Generated/(Used) in Investing Activities		**33,552**	**(68,199)**
Cash Flows from Financing Activities			
Payment for Shares Acquired by the RCR Employee Share Trust		(215)	-
Proceeds from Repayment/(Loans Advanced) to Related Parties		-	10,250
Proceeds from Borrowings		-	110,000
Repayment of Borrowings	7	(10,000)	(82,688)
Repayment of Lease Liabilities		(33)	(594)
Dividends Paid	3	(9,730)	(7,788)
Net Cash (Used)/Generated in Financing Activities		**(19,978)**	**29,180**
Net Increase/(Decrease) in Cash and Cash Equivalents		30,262	(65,422)
Cash and Cash Equivalents at the Beginning of the Period		**42,594**	**85,581**
Effects of exchange rate changes on balance of cash held in foreign currencies		163	480
Cash and Cash Equivalents at the End of the Period		**73,019**	**20,639**

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 financial report.

Basis of Preparation

The financial report covers the consolidated entity of RCR Tomlinson Ltd and its controlled entities. 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 together with any public announcements made by RCR Tomlinson Ltd and its Controlled Entities during the half year ended 31 December 2014 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 of a type referred to in Class Order 98/100 issued by ASIC and in accordance with that Class Order, amounts in the Directors' Report and Financial Report, have been rounded to the nearest thousand dollars.

NOTE 2. APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS

Application of New and Revised Accounting Standards

The Group 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.

There are no new and revised Standards and Amendments thereof and Interpretations effective for the current reporting period that are considered to have a material effect to the Company.

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior half years.

AASB 15 'Revenue from Contracts with Customers'

In December 2014, the AASB issued AASB 15 Revenue from Contracts with Customers (the Australian equivalent of IFRS 15 Revenue from Contracts with Customers), which specifies how and when revenue is recognised, as well as requiring enhanced disclosures. AASB 15 is effective for annual periods beginning on or after 1 January 2017. The transitional provisions require retrospective application. The Consolidated Entity is assessing the full impact of adopting AASB15.

NOTE 3. DIVIDENDS

	31 Dec 14		31 Dec 13	
Fully Paid Ordinary Shares	Cents Per Share	$'000	Cents Per Share	$'000
Final Dividend in respect of prior financial year	7.00	9,730	5.75	7,788

On 18 February 2015, the Directors declared an increase in the fully franked Interim Dividend to 3.50 cents per share. This is up 17% on the previous Interim Dividend of 3.00 cents per share. The record date for entitlement to the Interim Dividend will be 12 March 2015 and the payment date will be 7 April 2015. The amount of this Interim Dividend is $4.9 million. No provision has been made for this Interim Dividend in HY15 as the dividend was not declared or determined by the Directors on or before the end of the reporting date.

NOTE 4. ISSUED CAPITAL	Note	No. Of Shares '000	Shares $'000
(a) Fully Paid Ordinary Shares			
Balance as at 1 July 2014		136,989	128,777
Issue of Treasury Shares		2,012	6,029
Share Buy Back		(40)	(85)
Balance as at 31 December 2014		138,961	134,721
(b) Treasury Shares			
Balance as at 1 July 2014		(121)	(347)
Acquisition of New Shares by the Trust		(2,012)	(6,029)
Acquisition of On-Market Shares by the Trust		(105)	(215)
Issue of Shares Under the Employee Share Option Plan		1,222	3,738
Issue of Shares Under the Performance Incentive Plan		750	2,175
Issue of Deferred Shares Under the Executive STI Plan		122	351
Balance as at 31 December 2014		(144)	(327)
Balance of Issued Capital as at 1 July 2014		136,869	128,430
Balance of Issued Capital as at 31 December 2014		138,817	134,394

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 Employee Share Option and Performance Incentive scheme.

NOTE 5. 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:

RCR Infrastructure - provides electrical, power transmission and distribution, rail signalling and overhead wiring systems, water, HVAC, telecommunications, fire protection and property services and products to the Infrastructure, Resources and Property sectors. RCR Infrastructure comprises the businesses of O'Donnell Griffin, Haden and Resolve FM as well as RCR's Power business.

RCR Energy - is a technology leader in power generation and energy plants, including Combined or Open Cycle Power Plants, proprietary Heat Recovery Steam Generation technology, field-erected industrial boilers and packaged boilers; burners, heaters and combustion systems; servicing and maintenance.

RCR Resources - is a leading provider of specialist structural, construction and maintenance services to the Resources, Oil & Gas and LNG industries. The division also provides turnkey materials handling OEM solutions from design and manufacture to maintenance and off-site repair.

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.

NOTE 5. SEGMENT REPORTING (CONTINUED)

Half Year Ended 31 Dec 2013	Infrastructure $'000	Energy $'000	Resources $'000	Corporate (Incl Elim.) $'000	Consolidated Group $'000
Revenue					
Sales Revenue	**358,520**	**90,800**	**276,733**	**(24,385)**	**701,668**
Segment EBIT	**12,376**	**4,943**	**17,105**	**(8,215)**	**26,209**
Interest Received	-	-	-	295	295
Finance Costs	-	-	-	(3,057)	(3,057)
Profit Before Income Tax	**12,376**	**4,943**	**17,105**	**(10,977)**	**23,447**
Income Tax Expense	-	-	-	(5,157)	(5,157)
Profit After Income Tax	**12,376**	**4,943**	**17,105**	**(16,134)**	**18,290**
Assets as at 30 June 2014					
Segment Assets	381,686	105,566	102,963	47,433	637,648
Allocated Assets	(14,279)	(4,197)	4,792	13,684	-
Total Assets	**367,407**	**101,369**	**107,755**	**61,117**	**637,648**

Half Year Ended 31 Dec 2014					
Revenue					
Sales Revenue	**354,803**	**90,215**	**171,586**	**(32,142)**	**584,462**
Segment EBIT	**17,830**	**4,647**	**10,979**	**(3,382)**	**30,074**
Interest Received	-	-	-	445	445
Finance Costs	-	-	-	(3,365)	(3,365)
Profit Before Income Tax	**17,830**	**4,647**	**10,979**	**(6,302)**	**27,154**
Income Tax Expense	-	-	-	(8,146)	(8,146)
Profit After Income Tax	**17,830**	**4,647**	**10,979**	**(14,448)**	**19,008**
Assets					
Segment Assets	376,746	105,873	92,137	47,662	622,418
Allocated Assets	(29,850)	(6,056)	2,738	33,168	-
Total Assets	**346,896**	**99,817**	**94,875**	**80,830**	**622,418**

NOTE 6. BUSINESS COMBINATIONS

On 31 July 2013, the Company concluded the acquisition, through a scheme of arrangement, of Norfolk Group Limited. Total consideration for Norfolk was $148.3 million and comprised $77.8 million for 100% of the shares and assumed debt of $70.5 million. Norfolk's principal activities include electrical, power transmission and distribution, rail signalling and overhead wiring systems, HVAC (heating, ventilation and air conditioning), telecommunications, fire protection and property services and products to the Infrastructure, Resources and Property sectors.

Acquisition-related costs amounting to $3.7 million have been excluded from the consideration transferred and have been recognised as an expense in profit or loss in HY14.

Fair Value of Assets Acquired and Liabilities Assumed at the Date of Acquisition

	$'000
Current Assets	
Cash and Cash Equivalents	13,188
Trade and Other Receivables	132,932
Inventories	2,511
Other Current Assets	2,270
Total Current Assets	**150,901**
Non-Current Assets	
Property, Plant and Equipment	6,070
Deferred Tax Assets	58,584
Intangibles	70,605
Total Non-Current Assets	**135,259**
Total Assets	**286,160**
Current Liabilities	
Trade and Other Payables	119,128
Lease Liabilities	816
Borrowings	82,688
Current Tax Liabilities	253
Provisions	42,032
Deferred Revenue	25,873
Total Current Liabilities	**270,790**
Non-Current Liabilities	
Lease Liabilities	185
Provisions	2,357
Total Non-Current Liabilities	**2,542**
Total Liabilities	**273,332**
Net Assets Acquired	**12,828**

The fair value assessment and accounting for the Norfolk acquisition was finalised as at 31 December 2013

Goodwill Arising on Acquisition

Consideration Transferred	77,760
Less Fair Value of Net Assets Acquired	(12,828)
Goodwill Arising on Acquisition	**64,932**

Goodwill arose in the acquisition of Norfolk Group Limited because consideration paid for the combination included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of Norfolk. These benefits are not recognised separately from goodwill as they do not meet the recognition criteria for identifiable intangible assets.

NOTE 6. BUSINESS COMBINATIONS (CONTINUED)

Net Cash Outflow Arising on Acquisition

	$'000
Consideration Paid in Cash	77,760
Less Cash and Cash Equivalents Acquired	(13,188)
Net Cash Outflow Arising on Acquisition	**64,572**

In addition to the Cash acquired, RCR assumed net borrowings of $82.7 million.

Impact of Acquisition on the Results of the Group

Had the acquisition of Norfolk been effected at 1 July 2013, the Revenue of RCR from continuing operations for HY14 would have been $751.8 million, and the NPAT for the 6 months ended 31 December 2013 would have been $17.3 million. The directors of the Group consider these 'pro-forma' numbers to represent an approximate measure of the performance of the combined group for HY14 and to provide a reference point for comparison in future half years. In determining the 'pro-forma' Revenue and profit of the Group had Norfolk Group Limited been acquired at the beginning of the current half year, the directors have:

- calculated depreciation and amortisation of plant and equipment acquired on the basis of the fair values arising in the initial accounting for the business combination rather than the carrying amounts recognised in the pre-acquisition financial statements; and
- based borrowing costs on the funding levels, credit ratings and debt/equity position of the Group after the business combination

NOTE 7. BORROWINGS

Bank Facilities

On 4 December 2014, the Company announced the renewal of its banking facility with Commonwealth Bank of Australia. The banking facility provides access to ongoing working capital for RCR's operations.

The three year banking facility (Expiring November 2017) comprises:

- Senior debt facility of $90 million;
- A multicurrency contingent instrument facility of $95 million, which includes trade finance and bank guarantee facilities; and
- A multi option facility of $75 million, for working capital, which includes overdraft, cash advance and business credit cards.

At 31 December 2014, the Company has $39.6 million debt disclosed as current borrowings. The balance includes $18.75 million, which was repaid in early January 2015 as a result of the property sales. At the time of this repayment the remaining outstanding senior debt was $71.25 million and is subject to repayments of $5 million per quarter.

Insurance Bonding Facilities

The Company has insurance bonding facilities totalling $150 million. At 31 December 2014, the facilities utilised amounts to $36.8 million.

NOTE 8. 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 2014:	Bank Guarantees	$55,079,366
	Insurance Bonds	$36,756,245
31 December 2013:	Bank Guarantees	$81,786,264
	Insurance Bonds	$36,015,133

Claims

Certain claims arising out of engineering and construction contracts have been made by, or against, controlled entities in the ordinary course of business. 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 9. EVENTS AFTER BALANCE SHEET DATE

On 18 February 2015, the Directors declared a fully franked dividend of 3.50 cents per share. The dividend will be payable on 7 April 2015 to shareholders on record on 12 March 2015. As disclosed in Note 7, the Company repaid $18.75 million senior debt as a result of the sale of properties.

No matter or circumstance has arisen since 31 December 2014 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:

R Brown

Roderick J M Brown
Director
Signed at Perth on the 18th day of February 2015

Deloitte.

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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 condensed statement of financial position as at 31 December 2014, and the condensed statement of comprehensive income, the condensed statement of cash flows and the condensed 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 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 2014 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.

Liability limited by a scheme approved under Professional Standards Legislation

Member of Deloitte Touche Tohmatsu Limited

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 2014 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

A T Richards

A T Richards
Partner
Chartered Accountants
Perth, 18 February 2015