



ASX / Media Release  
20 April 2009

## **OPERATIONAL AND FINANCIAL UPDATE**

RCR Tomlinson Ltd (ASX: RCR) advises that while the target of 15% revenue growth for the 2009 financial year is still on track to be achieved, RCR now expects net profit after tax for the 2009 financial year to be in the range of \$11 million to \$13 million, following a first half profit of \$7.6 million.

RCR had expected that profit and margin would be weighted to the second half of the financial year due to the high level of new projects commenced during the first quarter of 2009. These profit expectations have been impacted by delayed or cancelled projects, restructuring costs around the reduction in RCR staff, general cost reduction initiatives and efficiency measures implemented across the Company.

### **RCR Energy**

RCR Energy comprises the Laser division, Heat Treatment, Boiler Service and Energy Projects servicing Australia and New Zealand. This Business Unit has seen a significant downturn in both the Laser Division and Energy Projects. The majority of projects for new boilers have been either suspended or have slowed leading to a reduction in the number of employees in this area. There have also been cost overruns on Energy related projects which has impacted the profit contribution from the Business Unit. Boiler servicing along with the heat treatment operations have not experienced the same downturn and demand to date has remained steady in these areas.

### **RCR Engineering**

RCR Engineering encompasses our workshops across Australia. This Business Unit has experienced mixed conditions with Western Australia remaining firm on the back of existing projects while the East Coast operations have experienced a severe downturn due in particular to reduced expenditure in the quarry and pressure component industries. Employee numbers have been reduced in Brisbane and New South Wales within the workshops.

### **RCR Construction and Maintenance**

RCR Construction and Maintenance provides specialist teams to service structural, mechanical and electrical construction projects and supervised shutdown maintenance and construction services. This Business Unit has seen a reduction in demand within the mining sector which has been partially offset by growth in the oil and gas construction sector.

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**RCR Tomlinson Ltd**

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### **RCR Positron**

RCR Positron consists of RCR's electrical maintenance and construction operations. The Positron Business Unit has been impacted by delays in start ups to contracted project work. This has impacted the expected profit contribution to the 2009FY. The outlook for the remainder of calendar 2009 is more positive as delayed projects commence and since January this business unit has won an additional \$30 million of project work.

### **Rationalisation Process**

RCR has responded to the current economic environment by undertaking an operational review across each of its Business Units which has resulted in a reduction in the number of staff within certain divisions. These initiatives will result in annualised cost savings of more than \$2 million and these benefits are expected to flow through from April 2009. However, implementing these initiatives will result in a charge of \$1.3 million which will impact the company's full year results.

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### **About RCR Tomlinson**

ASX listed RCR Tomlinson Ltd (ASX code: RCR) is headquartered in Perth, Western Australia. In addition to its Western Australian operations in Welshpool, Bayswater and Bunbury, RCR has facilities in Queensland, New South Wales, Victoria, South Australia and New Zealand.

In Western Australia, the company has six satellite operations in key regional locations that provide on-the-ground assistance to the resource industry.

It is a leading multi-disciplinary engineering company specialising in the design, manufacture and maintenance of heavy equipment and industrial boiler systems and site maintenance and construction, employing some 2,000 personnel and contractors.

Website: [www.rcrtom.com.au](http://www.rcrtom.com.au)