



21 August 2014

RCR DIVERSIFICATION STRATEGY DELIVERS RECORD PROFIT

Diversified Engineering and Infrastructure Company, RCR Tomlinson Ltd (ASX: RCR) today announced its full year results for the 12 months ended 30 June 2014 ("FY14"), delivering a fifth consecutive year of revenue growth and record earnings, reporting a normalised Net Profit after Tax ("NPAT") of \$47.3 million, underpinned by record revenue increasing by nearly 50 per cent to \$1.3 billion.

HIGHLIGHTS[^]

- Record Profit* of \$47.3 million, up 22 per cent
- NPAT (statutory) of \$43.3 million, up 16 per cent
- Strategic diversification into Infrastructure sector
- Record Revenues of \$1.3 billion, up 49 per cent
- EBITDA* of \$83.6 million, up 39 per cent
- EBIT* of \$61.8 million, up 36 per cent
- EBIT* margin of 4.8 per cent
- Order Book of \$0.8 billion
- Net Debt of \$57.2 million and gearing at 16.5 per cent
- Earnings per Share up 13 per cent to 31.9 cents per share
- Final Dividend up 22 per cent to 7.0 cents per share, fully franked
- Five Year Total Shareholder Returns 414 per cent
- Member of S&P/ASX All-Australian 200 Index

[^]Movements relate to the prior comparative period.

*Denotes amount is before transaction costs of \$4.0 million (FY13: \$1.6 million) related to the acquisition of the Infrastructure business.

The result has been driven by diversification into the technology-based Infrastructure markets at the beginning of FY14 and supported by solid performances across our other core Resources and Energy businesses.

Significant growth through FY14 led to a 36 per cent increase in Earnings before interest and tax (before transaction costs) (“EBIT”) to \$61.8 million, underscored by record revenue of \$1.3 billion. Consistent delivery across the Company saw EBIT margins reach 4.8 per cent driven by a faster than expected turnaround of the acquired Infrastructure businesses over the eleven months post-acquisition.

The Company again delivered strong cash flow ending the year with Net Debt of \$57.2 million, compared with a Net Debt position of \$90.5 million in December post the acquisition of the Infrastructure business for \$148.3 million.

RCR’s gearing ratio at 30 June 2014 remains conservative at 16.5 per cent.

The Board has declared a final dividend of 7.0 cents per share, fully franked, up 22 per cent on the previous corresponding period.

During the past year, RCR has structured its business into three core units, namely Resources, Energy and Infrastructure. The Infrastructure business includes RCR’s existing power business together with the acquired businesses of O’Donnell Griffin, Haden and Resolve FM.

MANAGING DIRECTOR’S COMMENTS

Commenting on the FY14 results RCR’s Managing Director, Dr Paul Dalgleish, said *“RCR delivered a 22 per cent increase in profit and a fifth consecutive year of record revenue and earnings, whilst reducing our net debt to levels of five years ago.”*

“Since the acquisition of our Infrastructure business, at the beginning of FY14, we have improved operating margins and we will continue to drive profitability through quality revenue and reducing the cost base over the coming year.”

“Both our existing Resources and Energy businesses have continued to deliver strong results this year due largely to our technology differentiators and the highly specialised nature of our manufacturing, off-site repair and maintenance work.”

“We retain a healthy order book and significant recurring work load; coupled with our diversification into infrastructure we are well positioned as we move into FY15”, said Dr Dalgleish.

RCR now has approximately 70 per cent of our revenues and earnings generated from the Infrastructure and Energy markets, a strong recurring revenue base and a current secured order book of \$790 million.

The Company is focused on improving profitability and continuing to reduce our cost base over the coming year as we target organic growth, predominantly through the current larger projects in the infrastructure sector.

The Company will continue to strengthen its balance sheet over the next six months and aims to be in a strong position to target growth by acquisition, as opportunities arise, that provide further value for RCR's shareholders.

FINAL DIVIDEND DECLARATION

The Board has declared a final dividend of 7.0 cents per share fully franked, taking total dividends (interim plus final dividend) for the year to 10.0 cents per share, up 21 per cent on the previous year.

The record date for entitlement to the final dividend will be 11 September 2014 and the payment date will be 3 October 2014.

INVESTOR PRESENTATIONS

RCR will be undertaking Investor roadshows to meet with Institutional shareholders, brokers and analysts commencing today. A copy of RCR's Investor Presentation will be provided on the ASX Announcements Platform and on the Company's website.

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About RCR

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

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

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

RCR is a constituent member of the S&P/ASX All-Australian 200 Index.

Notes:

This announcement and the financial information should be read in conjunction with the 2014 Annual Report, which has been audited by Deloitte Touche Tohmatsu. The IFRS financial information contained within this announcement has been derived from RCR's 2014 Annual Report.