



22 March 2013

## MEDIA RELEASE: RCR PROPOSED ACQUISITION OF NORFOLK GROUP

Integrated engineering company, RCR Tomlinson Limited ('RCR') has today announced that following an approach to Norfolk Group Limited ('NFK'), it has entered into an exclusive arrangement with NFK in respect of a proposal for RCR to acquire 100% of the issued shares in NFK by way of Scheme of Arrangement ('Proposal').

The Proposal is subject to RCR completing abridged due diligence activities and the parties entering into a definitive Scheme Implementation Agreement. Further details of RCR's Proposal are detailed in RCR's ASX announcement of today, which preceded this media release.

The Proposal is an all-cash offer for 100% of the shares in NFK at an indicative price of AUD \$0.38 per NFK share, for a total cash consideration of approximately AUD \$62 million (on a fully diluted basis) which has been calculated based on an assumed net debt position of NFK of not more than AUD \$78 million. The indicative price will be confirmed or adjusted following a short due diligence period, with the aggregate offer consideration to be adjusted on a dollar for dollar basis in proportion to the actual net debt position of NFK. In addition, the Proposal includes the potential for incremental benefits to NFK shareholders, depending upon the extent to which current uncollected working capital of up to approximately AUD \$74 million is recovered by NFK or acquired by RCR. Upon completion of the Proposal, RCR will assume NFK's debt, which has arisen mostly due to these uncollected balances.

The Proposal will be supported by a unanimous recommendation of NFK's Board and a commitment that each NFK Director will vote any Shares they directly or indirectly own, control or represent in favour of the Proposal (in the absence of a superior proposal or the Independent Expert opining that the Proposal is not in the best interests of NFK Shareholders).

Maui Capital, NFK's major shareholder, has also confirmed its intention to vote the Shares it directly or indirectly owns, controls or represents in favour of the Proposal (in the absence of a superior proposal or the Independent Expert opining that the Proposal is not in the best interests of NFK Shareholders).

Dr Paul Dagleish, Managing Director and Chief Executive Officer of RCR said the Proposal presented to NFK provides a highly attractive price for NFK and a compelling liquidity opportunity for NFK shareholders.

"We believe the NFK business which has around AUD \$1 billion of annual revenue has the potential to fulfil the requirements outlined in our strategic plan to grow our existing business through diversification of our revenues across sectors and geographies.

"The proposed acquisition will also provide RCR with access to infrastructure markets, particularly those requiring significant technical intellectual property."

"The size and footprint of NFK is consistent with RCR's business and the proposed acquisition would deliver to RCR greater diversification of revenues across our end markets."

"NFK is ideally positioned to benefit significantly from the experience and expertise within RCR's Board and management team in engineering construction and company turnarounds."

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For further information please contact:

**INVESTORS**

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**About RCR**

RCR Tomlinson Ltd (RCR) is an integrated engineering company providing turnkey solutions to blue chip clients in the mining, resources, energy and power sectors. RCR's services include design, procurement, manufacture, fabrication, engineering construction and electrical services and off-site repairs and maintenance. Headquartered in Perth, Western Australia, RCR has operations across Australia, New Zealand and Malaysia. Additional information is available at [www.rcrtom.com.au](http://www.rcrtom.com.au).