23 February 2017

RCR FINANCIAL RESULTS FOR THE HALF YEAR ENDED 31 DECEMBER 2016
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 – Results for Announcement to the Market; and
- RCR Half Year Financial Report for the Half-Year Ended 31 December 2016.

For further information please contact:

INVESTORS CONTACT:

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

ANALYSTS:

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

MEDIA CONTACT:

Media Advisor
Adam Kilgour
Diplomacy
+61 413 120 346

About RCR

RCR Tomlinson Ltd (ASX code: RCR) is a diversified engineering company providing turnkey integrated solutions to clients in the infrastructure, energy and resources sectors. RCR has a 118 years of history in the engineering sector and owns some of Australia's oldest engineering businesses including RCR Tomlinson™, O'Donnell Griffin™, Haden™, and Resolve FM™.

RCR's core capabilities encompass engineering, procurement and construction ("EPC") of power and steam generation plants (using a wide range of fuels, solar and wind), water and waste treatment systems; rail and road tunnel infrastructure, rail signalling and overhead wiring systems, mineral processing and material handling plants, construction of mechanical, piping and electrical disciplines (SMP/E&I), integrated oil & gas services (both onshore and offshore), supply of RCR proprietary materials handling and process equipment, asset repair, fabrication and maintenance services, HVAC services, and facilities management services.

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 2016

RCR Tomlinson Ltd | ABN 81 008 898 486

The current reporting period is the six months ended 31 December 2016 ("HY17")
The prior comparative period is the six months ended 31 December 2015 ("HY16")

RESULTS FOR ANNOUNCEMENT TO THE MARKET	Up / Down	Movement		$'Million
Revenue from Continuing Operations	Down	0.2%	to	484.4
Net Profit After Tax Attributable to Members	Up	0.5%	to	9.0
Net Profit After Tax from Continuing Operations	Down	31.9%	to	9.0

A description of the figures reported above is contained in the Half Year Financial Report.

DIVIDEND INFORMATION Current reporting period:	Amount per share	Franked Amount per share	Tax Rate for Franking Credit
2017 Interim Dividend per share	Nil	Nil	Nil

NET TANGIBLE ASSETS BACKING	31 Dec 2016	31 Dec 2015
Net tangible assets per share	$0.71	$0.80

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 and recent ASX market announcements.

Audit Status

The results are based on accounts which have been subject to an audit review 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 2016.

Chief Financial Officer
Andrew Phipps
Date: 23 February 2017

(ABN 81 008 896 486)

RCR TOMLINSON LTD

Half Year Financial Report

For the Half Year Ended 31 December 2016

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 2016 ("HY17"). 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

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 businesses during HY17 – 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 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. The business in Australia operates a number of regional workshops in WA (including the Pilbara region), SA, QLD and NSW.

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

GROUP RESULTS

The consolidated entity recorded Statutory Net Profit After Tax ("NPAT") of $9.0 million, up from $8.9 million for the prior comparative period, being the six months ended 31 December 2015 ("HY16"). From Continuing Operations, NPAT of $9.0 million compares with $13.2 million for the prior comparative period.

SUMMARY OF RESULTS (HY17 COMPARED WITH HY16)

	HY17 $M	HY16 $M
Sales Revenue from Continuing Operations	**484.4**	**485.3**
EBITDA	**24.0**	**30.7**
Depreciation	(6.4)	(6.5)
Amortisation	(3.9)	(3.8)
EBIT from Continuing Operations	**13.7**	**20.4**
EBIT Margin from Continuing Operations	**2.8%**	**4.2%**
Transaction Costs Associated with the ECS Acquisition	-	(0.8)
Net Finance Costs	(1.9)	(1.6)
Profit Before Income Tax	**11.8**	**18.0**
Income Tax Expense	(2.8)	(4.8)
Profit for the Period from Continuing Operations	**9.0**	**13.2**
Loss from Discontinued Operations	-	(4.3)
Profit Attributable to Members of RCR Tomlinson Ltd*	**9.0**	**8.9**

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

Sales Revenue from Continuing Operations of $484.4 million was similar to the prior comparative period of $485.3 million, as an increase in the Infrastructure and Energy businesses was offset by a reduction in the Resources business.

EBITDA from Continuing Operations decreased by 21.8% from $30.7 million to $24.0 million. The reduction in EBITDA compared with HY16 reflects the mix of projects in the order book and the stage of the project life cycle. In HY17 a number of the large projects were in the engineering and design phase with construction commencing in the second half of FY17.

SUMMARY OF RESULTS (HY17 COMPARED WITH SECOND HALF OF FY16)

Following the discontinuation of the coal services operations and the rationalisation of the business in the second half of FY16 ("H2 FY16"), the Company believes it is appropriate to provide a comparative of HY17 to H2 FY16. The performance during HY17 reflects improvements gained from the rationalisation program by committing to delivering EPC and turnkey projects in the resources sector, increasing our market position in the renewable energy and transport sectors and focusing on cost control and innovation.

	HY17 $M	H2 FY16 $M
Sales Revenue from Continuing Operations	**484.4**	**405.3**
EBITDA	**24.0**	**18.6**
Depreciation	(6.4)	(6.4)
Amortisation	(3.9)	(4.3)
EBIT from Continuing Operations	**13.7**	**7.9**
EBIT Margin from Continuing Operations	**2.8%**	**1.9%**
Restructuring and Legacy Legal & Claim Costs[1]	-	(14.3)
Transaction Costs Associated with the ECS Acquisition	-	(0.5)
Net Finance Costs	(1.9)	(2.4)
Profit/(Loss) Before Income Tax	**11.8**	**(9.3)**
Income Tax (Expense)/Benefit	(2.8)	5.2
Profit/(Loss) for the Period from Continuing Operations	**9.0**	**(4.1)**
Loss from Discontinued Operations	-	(20.9)
Profit/(Loss) Attributable to Members of RCR Tomlinson Ltd	**9.0**	**(25.0)**

(Non IFRS information, unaudited, subject to rounding)

When comparing HY17 Sales Revenue and EBITDA from continuing operations to H2 FY16, Sales Revenue increased by 19.5% from $405.3 million to $484.4 million and EBITDA increased by 29.0% from $18.6 million to $24.0 million. Further, EBIT increased 74.0% from $7.9 million to $13.7 million.

[1] Restructuring and Legacy Legal & Claim Costs - As part of the rationalisation of the business in FY16, the company reported restructuring and legacy legal & claim costs totalling $14.3 million. These costs related to reorganising the business to ensure the Company has a lower cost base to provide RCR with a competitive offering in the markets we operate. It also provides the Company with the skills needed to deliver on future growth opportunities in the renewable, transport and the resource sectors. The legacy legal and claim costs were costs associated with the settlement of pre-acquisition matters associated with the Norfolk acquisition.

Business Units Performance

Infrastructure

Sales Revenue increased by 13.0% to $300.4 million in HY17 (HY16: $265.8 million). EBIT at $12.4 million (HY16: $12.3 million) reflects a contribution of 4.1%. When comparing HY17 Sales Revenue and EBIT to H2 FY16, Sales Revenue increased by 9.7% from $273.9 million to $300.4 million and EBIT increased by 4.2% from $11.9 million to $12.4 million.

Key contracts included the Novo Rail Alliance works for Transport for NSW (including Wynyard Station upgrade), multiple contracts under Sydney Water's panel agreement, construction support for Chevron's Gorgon Project, the augmentation of the Subiaco Waste Water Treatment Plant and a number of renewable energy projects which commenced in HY17.

Energy

Sales Revenue increased by 9.6% to $97.8 million in HY17 (HY16: $89.2 million). EBIT at $1.8 million (HY16: $1.6 million) reflects a contribution of 1.8%. When comparing HY17 Sales Revenue and EBIT to H2 FY16, Sales Revenue increased by 39.1% from $70.3 million to $97.8 million and EBIT increased from a loss of $0.1 million to a profit of $1.8 million. A number of significant tenders were submitted in HY17 resulting in RCR achieving preferred contractor status. Revenues and Margins from these tenders are expected to be realised in future periods.

Key contracts included work for Rio Tinto's Cape Lambert Power Station, Red Stag Timber, Mataura Valley Milk, PT Chandra Asri Petrochemical Indonesia, provision of maintenance at Origin's Eraring Power Station and AGL's Liddell Power Station and the supply of RCR's proprietary air heaters to the dairy and food industry in Australia, Chile, Columbia and the Philippines. The Energy Service Upgrades & Maintenance and Laser divisions also continue to make positive contributions to performance.

Resources

Sales Revenue decreased by 21.3% to $127.3 million in HY17 (HY16: $161.9 million). EBIT at $4.2 million (HY16: $11.4 million) reflects a contribution of 3.3%. Revenues and Margins were lower than the prior comparative period, where the Roy Hill Iron Ore project contributed significantly. Whilst multiple new contracts have been won in the Resources business, these projects are in the early stages of their project life cycle. When comparing HY17 Sales Revenue and EBIT to H2 FY16, Sales Revenue increased by 54.3% from $82.5 million to $127.3 million and EBIT increased by 250.0% from $1.2 million to $4.2 million.

Key contracts included Silvergrass, MMG Dugald River, FMG Crushing Plant and the Newcrest Cadia East project. RCR continued to generate solid Recurring Revenues from maintenance and spare part sales.

CASH AND NET DEBT

Net debt increased to $63.6 million as at 31 December 2016 from $55.6 million at the beginning of the period. The December 2016 net debt comprised $31.2 million cash in hand and $94.8 million in borrowings (bank borrowings and accrued interest). The increase in net debt is mainly attributable to capital expenditure investment ($7.2 million) and the operating cash outflow of $2.1 million, reflecting a reduction in customer advance payments (deferred revenue) and cash outflows associated with the discontinued operations and the FY16 restructuring.

On 15 December 2016 the Company renewed its Banking Facilities. The renewal was arranged by the Commonwealth Bank of Australia and the Syndicated Banking Facility expires in December 2019.

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

The Syndicated Banking Facility comprises:

- An amortising senior debt facility of $66.25 million, subject to repayments of $5 million per quarter;
- a multicurrency contingent instrument facility of $145 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, bank guarantee and business card facilities.

In addition to the Syndicated Banking Facility, RCR has Insurance Bonding Facilities totalling $175 million.

RCR's gearing ratio (net debt/(net debt + equity)) at 31 December 2016 was 17.6% (June 2016: 16.2%).

CAPITAL STRUCTURE

At 31 December 2016, there were 139,963,412 ordinary fully paid shares on issue (June 2016: 139,963,412) and 3,694,420 performance rights on issue (June 2016: 4,124,920).

On 4 December 2015, the Company announced the continuation of its on market buy-back for up to 2.8 million ordinary fully paid shares. On 2 December 2016 the Company announced the cancellation of the share buy-back arrangement. Under the buy-back arrangement the Company acquired 1,029,810 ordinary fully paid shares for a consideration of $1.9 million.

DIVIDENDS

FY16 Final Dividend

No dividend was paid in respect of the financial year ended 30 June 2016.

HY17 Interim Dividend

No Interim Dividend was declared by the Directors (HY16: 1.75 cents per share).

EMPLOYEES

The consolidated entity employed 3,141 employees as at 31 December 2016 (30 June 2016: 3,092).

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 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.

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
Perth, 22 February 2017

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 6, 251 St Georges Terrace
PERTH WA 6000

22 February 2017

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 2016, 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
DELOITTE TOUCHE TOHMATSU

AG Collinson
Partner
Chartered Accountants

		31 Dec 16 $'000	31 Dec 15 $'000
Continuing Operations			
Sales Revenue		484,412	485,250
Cost of Sales		(451,881)	(444,514)
Gross Profit		**32,531**	**40,736**
Other Income		978	634
Administrative Expenses		(19,335)	(20,096)
Finance Costs		(1,962)	(1,683)
Transaction Costs Associated with ECS Acquisition		-	(771)
Other Expenses		(490)	(850)
		(20,809)	**(22,766)**
Profit Before Income Tax		**11,722**	**17,970**
Income Tax Expense		**(2,755)**	**(4,796)**
Profit for the Period from Continuing Operations		**8,967**	**13,174**
Discontinued Operations			
Loss for the Period from Discontinued Operations	5	-	(4,253)
Profit for the Period		**8,967**	**8,921**
Other Comprehensive Income, Net of Tax			
Items that may be Reclassified Subsequently to Profit or Loss:			
Exchange Difference on Translation of Foreign Operations		692	2,234
Loss on Foreign Exchange Contracts Entered into for FX Hedges		(330)	(138)
Gain on Interest Rate Swap Contracts Entered into for Borrowing Hedges		-	173
Other Comprehensive Income for the Period, Net of Income Tax		**362**	**2,269**
Total Comprehensive Income for the Period		**9,329**	**11,190**

Earnings per Share			
From Continuing and Discontinued Operations			
Basic Earnings per Share (cents per share)		6.41	6.42
Diluted Earnings per Share (cents per share)		6.24	6.29
From Continuing Operations			
Basic Earnings per Share (cents per share)		6.41	9.48
Diluted Earnings per Share (cents per share)		6.24	9.29

	31 Dec 16 $'000	30 Jun 16 $'000
Current Assets		
Cash and Cash Equivalents	31,171	15,572
Trade and Other Receivables	262,840	193,729
Inventories	15,141	14,410
Current Tax Assets	311	243
Other Current Assets	9,921	7,873
Total Current Assets	**319,384**	**231,827**
Non-Current Assets		
Property, Plant and Equipment	47,922	47,074
Deferred Tax Assets	63,126	65,420
Goodwill	128,073	128,073
Other Intangible Assets	69,677	72,055
Total Non-Current Assets	**308,798**	**312,622**
Total Assets	**628,182**	**544,449**
Current Liabilities		
Trade and Other Payables	167,868	101,289
Borrowings	49,697	50,000
Provisions	44,099	49,325
Deferred Revenue	17,832	26,360
Total Current Liabilities	**279,496**	**226,974**
Non-Current Liabilities		
Borrowings	45,147	21,124
Provisions	6,083	8,379
Total Non-Current Liabilities	**51,230**	**29,503**
Total Liabilities	**330,726**	**256,477**
Net Assets	**297,456**	**287,972**
Equity		
Issued Capital	136,664	136,488
Reserves	(9,947)	(10,288)
Retained Earnings	170,739	161,772
Total Equity	**297,456**	**287,972**

	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 2015	**134,127**	**(9,329)**	**444**	**(27)**	**190,929**	**316,144**
Profit for the Period	-	-	-	-	8,921	8,921
Other Comprehensive Income	-	-	2,234	35	-	2,269
Total Comprehensive Income for the Period	**-**	**-**	**2,234**	**35**	**8,921**	**11,190**
Acquisition of Treasury Shares – On Market	(449)	-	-	-	-	(449)
Issue of Treasury Shares to Employees	4,177	(4,177)	-	-	-	-
Share Buy-Back	(950)	-	-	-	-	(950)
Share Based Payments	-	1,045	-	-	-	1,045
Dividends Paid	-	-	-	-	(10,513)	(10,513)
Balance at 31 December 2015	**136,905**	**(12,461)**	**2,678**	**8**	**189,337**	**316,467**
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 Based Payments	-	485	-	-	-	485
Cash Settled Shares	-	(89)	-	-	-	(89)
Dividends Paid	-	-	-	-	-	-
Balance at 31 December 2016	**136,664**	**(12,709)**	**3,138**	**(376)**	**170,739**	**297,456**

	Note	31 Dec 16 $'000	31 Dec 15 $'000
Cash Flows from Operating Activities			
Receipts from Customers		463,775	585,119
Payments to Suppliers and Employees		(463,619)	(574,761)
Cash Generated From Operations		**156**	**10,358**
Income Tax Paid		(637)	(503)
Other Income		435	169
Finance Costs		(2,060)	(1,775)
Net Cash (Used in)/Generated by Operating Activities		**(2,106)**	**8,249**
Cash Flows from Investing Activities			
Interest Received		20	93
Proceeds from Sale of Property, Plant and Equipment		93	261
Purchase of Property, Plant and Equipment		(7,191)	(6,513)
Payment for Subsidiary and Other Businesses, Net of Cash Acquired	6	-	(10,400)
Net Cash Used in Investing Activities		**(7,078)**	**(16,559)**
Cash Flows from Financing Activities			
Payment for Shares Acquired by the RCR Employee Share Trust		(241)	(449)
Payment for Buy-Back of Shares		-	(950)
Proceeds from Borrowings	7	35,000	-
Repayment of Borrowings	7	(10,000)	(10,000)
Repayment of Lease Liabilities		-	(22)
Dividends Paid		-	(10,513)
Net Cash Generated/(Used in) Financing Activities		**24,759**	**(21,934)**
Net Increase/(Decrease) in Cash and Cash Equivalents		15,575	(30,244)
Cash and Cash Equivalents at the Beginning of the Period		**15,572**	**49,170**
Effects of exchange rate changes on balance of cash held in foreign currencies		24	422
Cash and Cash Equivalents at the End of the Period		**31,171**	**19,348**

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" 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 together with any public announcements made by RCR during the half year ended 31 December 2016 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.

NOTE 2. APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS

Application of New and Revised 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:

AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to AASB 116 Property, Plant and Equipment prohibits entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to AASB 138 Intangible Assets introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. The presumption can only be rebutted in the following two limited circumstances:

- When the intangible asset is expressed as a measure of revenue, or
- When it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

As the Company already uses the straight-line method for depreciation and amortisation for its property, plant and equipment, and intangible assets, the application of these amendments has had no impact on the Consolidated Half Year Report.

AASB 2015-1 Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012-2014 Cycle

The Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle include a number of amendments to various Accounting Standards, which are summarised below:

- The amendments to AASB 5 Non-current Assets Held for Sale and Discontinued Operations introduce specific guidance in AASB 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa). The amendments clarify that such a change should be considered as a continuation of the original plan of disposal and hence requirements set out in AASB 5 regarding the change of sale plan do not apply. The amendments also clarifies the guidance for when held-for-distribution accounting is discontinued
- The amendments to AASB 7 Financial Instruments: Disclosures remove the requirement to provide disclosures relating to offsetting financial assets and financial liabilities in interim financial reports and provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets

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

- The amendments to AASB 119 Employee Benefits clarify that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The assessment of the depth of a market for high quality corporate bonds should be at the currency level (i.e. the same currency as the benefits are to be paid). For currencies for which there is no deep market in such high quality corporate bonds, the market yields at the end of the reporting period on government bonds denominated in that currency should be used instead
- The amendments to AASB 134 Interim Financial Reporting make provision for disclosures required by the Standard to be given either in the interim financial statements or incorporated by cross-reference from the interim financial statements to some other statement that is available to users of the financial statements on the same terms as the interim financial statements and at the same time.

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

NOTE 3. ISSUED CAPITAL

	No. Of Shares '000	Shares $'000
(a) Fully Paid Ordinary Shares		
Balance as at 1 July 2016	139,963	136,669
Balance as at 31 December 2016	139,963	136,669
(b) Treasury Shares		
Balance as at 1 July 2016	(100)	(181)
Acquisition of On-Market Shares by the Trust	(87)	(241)
Issue of Shares Upon Vesting of Performance Rights	187	422
Issue of Deferred Shares Under the Executive STI Plan	(2)	(5)
Balance as at 31 December 2016	(2)	(5)
Balance of Issued Capital as at 1 July 2016	139,863	136,488
Balance of Issued Capital as at 31 December 2016	139,961	136,664

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.

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. The business in Australia operates a number of regional workshops in WA (including the Pilbara region), SA, QLD and NSW.

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.

Half Year Ended Dec	Infrastructure		Energy		Resources		Corporate *		Consolidated Group	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000	2016 $'000	2015 $'000	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Sales Revenue	**300,389**	**265,776**	**97,785**	**89,245**	**127,333**	**161,857**	**(41,095)**	**(31,628)**	**484,412**	**485,250**
Segment EBIT	**12,411**	**12,329**	**1,757**	**1,633**	**4,154**	**11,379**	**(4,658)**	**(5,780)**	**13,664**	**19,561**
Interest Received	-	-	-	-	-	-	20	92	20	92
Finance Costs	-	-	-	-	-	-	(1,962)	(1,683)	(1,962)	(1,683)
Profit Before Income Tax	**12,411**	**12,329**	**1,757**	**1,633**	**4,154**	**11,379**	**(6,600)**	**(7,371)**	**11,722**	**17,970**
Income Expense	-	-	-	-	-		(2,755)	(4,796)	(2,755)	(4,796)
Profit for the Year from Continuing Operations	**12,411**	**12,329**	**1,757**	**1,633**	**4,154**	**11,379**	**(9,355)**	**(12,167)**	**8,967**	**13,174**

Assets	Dec 2016	Jun 2016	Dec 2016	Jun 2016	Dec 2016	Jun 2016	Dec 2016	Jun 2016	Dec 2016	Jun 2016
Segment Assets	358,807	330,735	118,821	118,067	109,509	66,249	41,045	25,959	628,182	541,010
Assets Relating to Discontinued Operations	-	2,795	-	-	-	644	-	-	-	3,439
Allocated Assets	(1,571)	(3,365)	(9,587)	(8,552)	2,227	1,204	8,931	10,713	-	-
Total Assets	**357,236**	**330,165**	**109,234**	**109,515**	**111,736**	**68,097**	**49,976**	**36,672**	**628,182**	**544,449**

* The Corporate segment includes intercompany and consolidation eliminations. In HY16 $0.8 million of transactions costs associated with the Water Corporation ECS acquisition is included in segment EBIT.

NOTE 5. DISCONTINUED OPERATIONS

On 4 April 2016, the Company announced that it had completed a review of its strategy, for current and future markets, in the Infrastructure, Energy and Resources sectors. As a result of the review, it was determined that the continued pressure on some commodity prices and the general slowness in capital spend, in both private and government projects, meant some operations were deemed not economically viable. The Company closed 14 local branches primarily associated with services to the coal sector and two international, unprofitable businesses.

(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 profit and cash flows from discontinued operations have been re-presented to include those operations classified as discontinued in the current year.

	31 Dec 16 $'000	31 Dec 15 $'000
Loss for the Year from Discontinued Operations		
Sales Revenue	-	30,001
Expenses	-	(36,076)
Loss Before Income Tax	**-**	**(6,075)**
Attributable Income Tax Benefit	-	1,822
Loss for the Year from Discontinued Operations	**-**	**(4,253)**

NOTE 6. BUSINESS COMBINATIONS

On 14 August 2015, RCR announced that it acquired the ECS business from Water Corporation of WA for a purchase price of $10.4 million. The acquisition was completed on 31 August 2015. The acquisition of ECS further expanded RCR's Infrastructure business in WA and its capability to deliver national and international turnkey water and waste water projects. As part of the acquisition, RCR will be awarded a minimum of $130 million in new capital works over a three year period, with the prospect for this term to be extended.

Acquisition related costs amounting to $1.2 million have been excluded from the consideration transferred and have been recognised as an expense in the profit or loss in FY16 ($0.8 million in HY16).

Fair Value of Assets Acquired and Liabilities Assumed at the Date of Acquisition	$'000
Non-Current Assets	
Property, Plant and Equipment	1,904
Deferred Tax Assets	1,329
Intangibles	1,570
Total Non-Current Assets	**4,803**
Total Assets	**4,803**
Current Liabilities	
Provisions	4,312
Total Current Liabilities	**4,312**
Non-Current Liabilities	
Deferred Tax Liabilities	471
Provisions	118
Total Non-Current Liabilities	**589**
Total Liabilities	**4,901**
Net Liabilities Acquired	**98**

NOTE 6. BUSINESS COMBINATIONS (CONTINUED)

The fair value assessment and accounting for the ECS business acquisition was finalised as at 31 December 2015.

Goodwill Arising on Acquisition	$'000
Consideration Transferred	10,400
Add Fair Value of Net Liabilities Acquired	98
Goodwill Arising on Acquisition	**10,498**

Goodwill arose on the acquisition of the ECS business 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 ECS. These benefits are not recognised separately from Goodwill as they do not meet the recognition criteria for identifiable Intangible Assets.

Net Cash Outflow Arising on Acquisition	
Consideration Paid in Cash	10,400
Less Cash and Cash Equivalents Acquired	-
Net Cash Outflow Arising on Acquisition	**10,400**

NOTE 7. BORROWINGS

Banking and Insurance Bonding Facilities

On 15 December 2016 the Company renewed its Banking Facilities. The renewal was arranged by the Commonwealth Bank of Australia and the Syndicated Banking Facility expires in December 2019.

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

The Syndicated Banking Facility comprises:

- An amortising senior debt facility of $66.25 million, subject to repayments of $5 million per quarter;
- a multicurrency contingent instrument facility of $145 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, bank guarantee and business card facilities.

In addition to the Syndicated Banking Facility, RCR has Insurance Bonding Facilities totalling $175 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 2016:	Bank Guarantees	$38,661,506
	Insurance Bonds	$62,917,450
31 December 2015:	Bank Guarantees	$56,908,790
	Insurance Bonds	$24,841,429

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

No matter or circumstance has arisen since 31 December 2016 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
Perth, 22 February 2017

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 2016, 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 18.

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 2016 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 2016 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, 22 February 2017