



18 February 2016

**RCR FINANCIAL RESULTS FOR THE HALF YEAR ENDED 31 DECEMBER 2015:
RESULTS FOR ANNOUNCEMENT TO MARKET**

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

- Appendix 4D; and
- RCR Financial Report for the Half-Year Ended 31 December 2015.

For further information please contact:

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About RCR

RCR Tomlinson Ltd (ASX code: RCR) ("RCR") is one of Australia's oldest and most diversified engineering and infrastructure companies providing turnkey integrated solutions to clients in the **infrastructure**, **energy** and **resources** sectors.

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 generation plants (using a wide range of fuels, solar and wind), integrated oil & gas services, both onshore and offshore; and water infrastructure solutions.

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

Appendix 4D – Half Year Report Results for announcement to the market

Half Year Report for the six months ended 31 December 2015



RCR Tomlinson Ltd | ABN 81 008 898 486

The current reporting period is the six months ended 31 December 2015 (“HY16”)
The prior comparative period is the six months ended 31 December 2014 (“HY15”)

RESULTS FOR ANNOUNCEMENT TO THE MARKET	Up / Down	Movement		\$'Million
Revenue from ordinary activities	Down	11.8%	to	515.3
Net profit after tax from ordinary activities	Down	53.1%	to	8.9
Net profit after tax for the full year attributable to members	Down	53.1%	to	8.9

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

DIVIDEND INFORMATION	Amount per share	Franked Amount per share	Tax Rate for Franking Credit
Current reporting period:			
2016 Interim Dividend per share	1.75 cents	0.00 cents	0%

2016 Interim Dividend Dates

Date

Record Date for determining entitlements to the 2016 Interim Dividend	10 March 2016
Payment Date for the 2016 Interim Dividend	6 April 2016

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

NTA BACKING	HY16	HY15
Net tangible assets per share	79.7 cents	72.5 cents

Commentary on the Results for the Period

This report should be read in conjunction with the attached Directors’ Report, 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 Auditor’s Review Report contains no qualifications.

Control Gained or Lost over Entities having a Material Effect

During the six months ended 31 December 2015, RCR acquired Water Corporation’s Engineering and Construction Services (“ECS”) business. Refer to Note 6 in the Half Year Financial Report for details.



Chief Financial Officer
Andrew Phipps

Date: 18 February 2016



(ABN 81 008 896 486)

RCR TOMLINSON LTD
Half Year Financial Report
For the Half Year Ended 31 December 2015

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 2015 ("HY16"). 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 Dalglish, 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 HY16 – Infrastructure, Energy and Resources.

Infrastructure is a leading provider of rail and transport, 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. During the period, the business expanded its water and waste water solutions business with the acquisition of Water Corporation's Engineering and Construction Services ("ECS") business.

The businesses core capabilities encompass; electrical and instrumentation services; railway signalling and overhead wiring systems; power generation, transmission and distribution systems and generator maintenance; design and construction of solar plants; 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 Company recorded Net Profit after Tax ("NPAT") of \$8.9 million, down from \$19.0 million for the prior comparative period, being the six months ended 31 December 2014 ("HY15").

SUMMARY OF RESULTS

	HY16 \$M	HY15 \$M
Revenue	515.3	584.5
EBITDA (before transaction costs/non-recurring items)*	25.0	39.6
Depreciation	(6.6)	(7.0)
Amortisation	(4.1)	(3.8)
EBIT (before transaction costs/non-recurring items)*	14.3	28.8
EBIT Margin*	2.8%	4.9%
Transaction costs/non-recurring items*	(0.8)	1.3
EBIT*	13.5	30.1
Net Finance Costs	(1.6)	(2.9)
Profit Before Income Tax	11.9	27.2
Income Tax Expense	(3.0)	(8.2)
Profit Attributable to Members of RCR Tomlinson Ltd**	8.9	19.0

* Non IFRS information, not subject to audit review

** As per the Consolidated Statement of Profit or Loss and Other Comprehensive Income

Revenues decreased by 11.8% from \$584.5 million to \$515.3 million. This is due to a combination of slower than expected award of Infrastructure projects, a decline in the sale of RCR Mining Technology's equipment, off-site repairs, heat treatment, "walk in the door" work through RCR's workshops and delays in the start-up of Energy projects for which RCR has preferred contractor status.

EBITDA decreased by 36.9% from \$39.6 million to \$25.0 million.

Transaction costs incurred in HY16 relate to the acquisition of the ECS business. Non-recurring items in HY15 relate to profit on the sale of properties (\$11.8 million) less non-recurring capital management initiatives and business rationalisation costs totalling \$10.5 million.

Business Units Performance

Infrastructure

Sales Revenue decreased by 18.4% to \$289.5 million in HY16 (HY15: \$354.8 million). Earnings at \$8.8 million (HY15: \$17.8 million) reflect an EBIT contribution of 3.0%. The reduction in Earnings reflects the lower Revenues and the slower than expected infrastructure spend from state and federal governments.

Key contracts included the Novo Rail Alliance works for Transport for NSW (including commencement of Wynyard Station upgrade), multiple contracts under Sydney Water's panel agreement, construction support for Chevron's Gorgon Project, AGL's 53MW Broken Hill Solar Project and the commencement of the augmentation of Subiaco Waste Water Treatment Plant.

During HY16 the ECS business was successfully integrated into RCR's Infrastructure operations in WA.

Energy

Sales Revenue decreased by 1.1% to \$89.2 million in HY16 (HY15: \$90.2 million). Earnings at \$1.6 million (HY15: \$4.6 million) reflect an EBIT contribution of 1.8%. A number of significant tenders were submitted in HY16 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 Thai Oil Power Project in Thailand, Early Contractor Involvement ("ECI") for Adani's Power Station, provision of maintenance at Origin's Eraring Power Station and the supply of steam boilers to dairies in New Zealand. The Energy Service, Upgrades & Maintenance and Laser divisions also continue to make positive contributions to performance.

Resources

Sales Revenue decreased by 2.0% to \$168.1 million in HY16 (HY15: \$171.6 million). Earnings at \$8.9 million (HY15: \$11.0 million) reflect an EBIT contribution of 5.3%. Revenues and Margins were adversely impacted due to a reduction in the sale of RCR Mining Technology's equipment and "walk in the door" work. This was seen across the majority of RCR's workshops. However, construction revenue from the Roy Hill Project partially mitigated the aforementioned reductions.

Key contracts included Roy Hill Iron Ore Project under the direction of Samsung C&T, crushing plant for Rio Tinto's MESA J Project and the completion of Waste Composters for SITA. RCR continued to generate solid Recurring Revenues from maintenance and spare part sales. However, there was a general reduction in off-site repairs, heat treatment and new fabrication work.

CASH AND NET DEBT

Net debt increased to \$32.0 million as at 31 December 2015, up from \$12.2 million at the beginning of the period. The December 2015 net debt comprised \$19.3 million cash in hand and \$51.3 million in borrowings (bank borrowings, accrued interest and finance lease liabilities). The increase in net debt is somewhat attributable to the acquisition of the ECS business (\$10.4 million) plus associated working capital (\$3.5 million), FY15 final dividends (\$10.5 million) and capital expenditure (\$6.5 million).

RCR's gearing ratio (net debt/(net debt + equity)) at 31 December 2015 was 9.2% (June 2015: 3.7%).

CAPITAL STRUCTURE

At 31 December 2015, there were 140,175,569 ordinary fully paid shares on issue (June 2015: 138,745,453) and 2,819,720 performance rights on issue (June 2015: 5,429,720).

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. At the date of this report the Company had acquired 817,651 ordinary fully paid shares under the buy-back arrangement, which commenced 4 December 2014, for consideration of \$1.5 million. In HY16, 562,000 shares were bought back costing \$1.0 million.

DIVIDENDS

FY15 Final Dividend

On 8 October 2015, a Final Dividend of 7.50 cents per share franked to 20% at 30% corporate income tax rate was paid in respect of FY15. This represents an increase of 7.1% on the previous year, which was 7.00 cents per share. The Final Dividend paid was \$10.5 million.

HY16 Interim Dividend

The Directors have declared an unfranked Interim Dividend of 1.75 cents per share. The interim dividend payout ratio of 27.3% is broadly in line with the payout ratio in HY15 (25.4%). The record date for entitlement to the Interim Dividend will be 10 March 2016 and the payment date will be 6 April 2016. The amount of this Interim Dividend is \$2.5 million. The Company's Dividend Re-investment Plan will not operate in respect of the Interim Dividend.

EMPLOYEES

The consolidated entity employed 3,578 employees as at 31 December 2015 (30 June 2015: 3,817).

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

The Directors have declared an unfranked dividend of 1.75 cents per share. The dividend will be payable on 6 April 2016 to shareholders on record as at 10 March 2016.

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

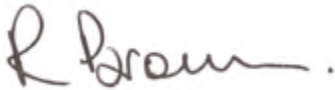
Deloitte Touche Tohmatsu continues as external auditor in accordance with section 327 of the Corporations Act 2001. The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 6 and forms part of this report.

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 and Half Year Financial Report have been "rounded off" to the nearest thousand dollars, 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,



Roderick Brown
Chairman
RCR Tomlinson Ltd
Perth, 17 February 2016



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The Board of Directors
RCR Tomlinson Ltd
Level 6, 251 St Georges Terrace
PERTH WA 6000

17 February 2016

Dear Directors

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 2015, 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 15 \$'000	31 Dec 14 \$'000
Sales Revenue	515,251	584,462
Cost of Sales	(480,163)	(530,524)
Gross Profit	35,088	53,938
Other Income	634	16,496
Administrative Expenses	(20,523)	(37,429)
Finance Costs	(1,683)	(3,365)
Transaction Costs Associated with ECS Acquisition	(771)	-
Other Expenses	(850)	(2,486)
	(23,193)	(26,784)
Profit Before Income Tax for the Period	11,895	27,154
Income Tax Expense	(2,974)	(8,146)
Profit After Income Tax for the Period	8,921	19,008
Items that may be reclassified subsequently to profit or loss:		
Exchange Difference on Translation of Foreign Operations	2,234	438
(Loss)/Gain on Foreign Exchange Contracts Entered into for FX Hedges	(138)	250
Gain on Interest Rate Swap Contracts Entered into for Borrowing Hedges	173	118
Other Comprehensive Income for the Period, net of Income Tax	2,269	806
Total Comprehensive Income for the Period	11,190	19,814
Earnings per Share		
Basic Earnings per Share (cents per share)	6.4	13.8
Diluted Earnings per Share (cents per share)	6.3	13.3

	31 Dec 15 \$'000	30 Jun 15 \$'000
Current Assets		
Cash and Cash Equivalents	19,348	49,170
Trade and Other Receivables	196,779	213,206
Inventories	18,797	17,556
Other Current Assets	7,988	8,644
Total Current Assets	242,912	288,576
Non-Current Assets		
Property, Plant and Equipment	51,303	49,593
Deferred Tax Assets	50,207	51,600
Goodwill	128,074	117,575
Other Intangible Assets	76,689	79,197
Total Non-Current Assets	306,273	297,965
Total Assets	549,185	586,541
Current Liabilities		
Trade and Other Payables	102,339	129,683
Lease Liabilities	195	216
Borrowings	20,100	20,236
Current Tax Liabilities	320	203
Provisions	47,823	43,202
Deferred Revenue	27,425	32,909
Total Current Liabilities	198,202	226,449
Non-Current Liabilities		
Borrowings	31,009	40,878
Provisions	3,507	3,070
Total Non-Current Liabilities	34,516	43,948
Total Liabilities	232,718	270,397
Net Assets	316,467	316,144
Equity		
Issued Capital	136,905	134,127
Reserves	(9,775)	(8,912)
Retained Earnings	189,337	190,929
Total Equity	316,467	316,144

	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 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 Period	-	-	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
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

	Note	31 Dec 15 \$'000	31 Dec 14 \$'000
Cash Flows from Operating Activities			
Receipts from Customers		585,119	628,077
Payments to Suppliers and Employees		(574,761)	(610,481)
Cash Generated From Operations		10,358	17,596
Income Tax (Payment)/Refund		(503)	2,166
Other Income		169	51
Finance Costs		(1,775)	(3,125)
Net Cash Generated by Operating Activities		8,249	16,688
Cash Flows from Investing Activities			
Interest Received		93	445
Proceeds from Sale of Property, Plant and Equipment		261	37,294
Purchase of Property, Plant and Equipment		(6,513)	(4,187)
Payment for Subsidiary and Other Businesses, Net of Cash Acquired	6	(10,400)	-
Net Cash (Used)/Generated in Investing Activities		(16,559)	33,552
Cash Flows from Financing Activities			
Payment for Shares Acquired by the RCR Employee Share Trust		(449)	(215)
Payment for Buy-Back of Shares		(950)	-
Repayment of Borrowings	7	(10,000)	(10,000)
Repayment of Lease Liabilities		(22)	(33)
Dividends Paid	3	(10,513)	(9,730)
Net Cash Used in Financing Activities		(21,934)	(19,978)
Net (Decrease)/Increase in Cash and Cash Equivalents		(30,244)	30,262
Cash and Cash Equivalents at the Beginning of the Period		49,170	42,594
Effects of exchange rate changes on balance of cash held in foreign currencies		422	163
Cash and Cash Equivalents at the End of the Period		19,348	73,019

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 during the half year ended 31 December 2015 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, AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15

AASB 15 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers; and replaces AASB 111 *Construction Contracts*, AASB 118 *Revenue*, Interpretation 13 *Customer Loyalty Programmes*, Interpretation 15 *Agreements for the Construction of Real Estate*, Interpretation 18 *Transfers of Assets from Customers*, and Interpretation 131 *Revenue-Barter Transactions Involving Advertising Services*. The core principle is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Company is assessing the full impact of adopting AASB 15.

Additionally, at the date of authorisation of the financial statements, *IFRS 16 Leases* (effective for annual periods beginning on or after 1 January 2019) was also in issue but not yet effective. Australian equivalent Standards and Interpretations have not yet been issued.

NOTE 3. DIVIDENDS

Details on dividends paid and payable in FY16 are as follows:

	Cents Per Share	\$'000
Final Dividend for FY15 (20% franked) paid on 8 Oct 2015	7.50	10,513
Interim Dividend (unfranked) for HY16 payable on 6 Apr 2016	1.75	2,452
	9.25	12,965

No provision has been made for this interim dividend in HY16 as the dividend was not declared or determined by the Directors on or before the reporting date.

NOTE 4. ISSUED CAPITAL	No. Of Shares '000	Shares \$'000
(a) Fully Paid Ordinary Shares		
Balance as at 1 July 2015	138,745	134,227
Issue of Treasury Shares	1,992	3,706
Share Buy-back	(562)	(950)
Balance as at 31 December 2015	140,175	136,983
(b) Treasury Shares		
Balance as at 1 July 2015	(44)	(100)
Acquisition of New Shares by the Trust	(1,992)	(3,706)
Acquisition of On-Market Shares by the Trust	(260)	(449)
Issue of Shares Under the LTI Plan	2,142	3,977
Issue of Deferred Shares Under the Executive STI Plan	111	200
Balance as at 31 December 2015	(43)	(78)
Balance of Issued Capital as at 1 July 2015	138,701	134,127
Balance of Issued Capital as at 31 December 2015	140,132	136,905

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 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:

Infrastructure is a leading provider of rail and transport, 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. During the year, the business expanded its water and waste water solutions business with the acquisition of Water Corporation's ECS business.

The businesses core capabilities encompass; electrical and instrumentation services; railway signalling and overhead wiring systems; power generation, transmission and distribution systems and generator maintenance; design and construction of solar plants; 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 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.

NOTE 5. 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 31 Dec 2015	Infrastructure		Energy		Resources		Corporate (Incl Elim.)		Consolidated Group	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Sales Revenue	289,505	354,803	89,245	90,215	168,129	171,586	(31,628)	(32,142)	515,251	584,462
Underlying Segment EBIT	8,778	17,830	1,610	4,647	8,878	10,979	(5,009)	(4,690)	14,257	28,766
Transaction Costs	-	-	-	-	-	-	(771)	-	(771)	-
Non-Recurring Items	-	-	-	-	-	-	-	1,308	-	1,308
Segment EBIT	8,778	17,830	1,610	4,647	8,878	10,979	(5,780)	(3,382)	13,486	30,074
Interest Received	-	-	-	-	-	-	92	445	92	445
Finance Costs	-	-	-	-	-	-	(1,683)	(3,365)	(1,683)	(3,365)
Profit Before Income Tax	8,778	17,830	1,610	4,647	8,878	10,979	(7,371)	(6,302)	11,895	27,154
Income Tax Expense	-	-	-	-	-	-	(2,974)	(8,146)	(2,974)	(8,146)
Profit After Income Tax	8,778	17,830	1,610	4,647	8,878	10,979	(10,345)	(14,448)	8,921	19,008

Assets	Dec 2015	June 2015	Dec 2015	June 2015	Dec 2015	June 2015	Dec 2015	June 2015	Dec 2015	June 2015
Segment Assets	339,522	366,919	111,605	113,062	92,327	86,508	5,731	20,052	549,185	586,541
Allocated Assets	(7,758)	(21,376)	(12,878)	(9,933)	1,219	1,178	19,417	30,131	-	-
Total Assets	331,764	345,543	98,727	103,129	93,546	87,686	25,148	50,183	549,185	586,541

NOTE 6. BUSINESS COMBINATIONS

On 14 August 2015, RCR announced that it had acquired the ECS business from Water Corporation of Western Australia for a purchase price of \$10.4 million. The acquisition was completed on 31 August 2015. The acquisition of ECS will further expand 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 \$0.8 million have been excluded from the consideration transferred and have been recognised as an expense in profit or loss 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

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

Goodwill Arising on Acquisition

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

Bank Facilities

The Company's current Banking Facility with the Commonwealth Bank of Australia is summarised below. The Banking Facility, together with existing Insurance Bonding Facilities and Bank Guarantee Line Facility, provides RCR with access to ongoing working capital for its operations.

The three year Banking Facility comprises (renewed on 4 December 2014):

- A cash advance facility of \$51.3 million. The facility is subject to repayments of \$5.0 million per quarter and is fully repayable by November 2017;
- A multi option facility of \$75.0 million, for working capital, which includes overdraft, cash advance and business credit cards; and
- A multicurrency contingent instrument facility of \$95.0 million, which includes trade finance and bank guarantee facilities. As at 31 December 2015, \$45.6 million of the facility was utilised.

Insurance Bonding Facilities

The Company also has Insurance Bonding Facilities totalling \$150.0 million. As at 31 December 2015, \$24.8 million of the facilities were utilised.

Bank Guarantee Line Facility

During HY16 the Company entered into an agreement with HSBC Australia Limited for the provision of a \$20 million guarantee line facility. As at 31 December 2015, \$11.3 million of the facility was utilised.

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 2015:	Bank Guarantees	\$56,908,790
	Insurance Bonds	\$24,841,429
31 December 2014:	Bank Guarantees	\$55,079,366
	Insurance Bonds	\$36,756,245

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

The Directors have declared an unfranked dividend of 1.75 cents per share. The dividend will be payable on 6 April 2016 to shareholders on record on 10 March 2016.

No matter or circumstance has arisen since 31 December 2015 that has significantly affected, or may significantly affect:

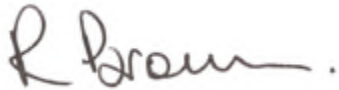
- (a) the Company's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the Company's state of affairs in future financial years.

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,



Roderick J M Brown
Director
Perth, 17 February 2016



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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 consolidated statement of financial position as at 31 December 2015, and the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows and the condensed 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 16.

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 2015 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 2015 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, 17 February 2016