

Appendix 4D

Half year report Period ending 31 December 2008

1.

Name of Entity	RCR Tomlinson Ltd
ABN	81 008 898 486
Half Year Ended	31 December 2008
Previous Corresponding Reporting Period	6 months to 31 December 2007

2. **Results for Announcement to the Market**

Amounts expressed in \$A'000

	Result	% Increase (Decrease)	\$ Increase (Decrease)
Revenues from ordinary activities	315,791	41%	92,306
Profit from ordinary activities after tax attributable to members	7,650	(16%)	(1,484)
Net profit for the period attributable to members	7,650	(16%)	(1,484)

Dividends (distributions)	Amount per Security	Franked amount per security
Final Dividend (30 June 2008) (Paid 23 September 2008)	5.0 cents	5.0 cents
Interim Dividend (31 December 2008)	Nil	Nil
Record date for determining entitlement to the dividends (if any)	N/A	

3. **Net tangible assets per security**

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	\$0.80	\$0.67

4. The Company has purchased the business and maintenance service workshop, including the land, buildings, equipment and the business name of South Australian based engineering services company Davo-Weldtite Pty Ltd for \$3.96 million. The acquisition was internally funded by RCR.

5. Dividends

The company has not declared an interim dividend in respect of the current period.

6. The Company has no significant interest in any associates or joint ventures.

7. RCR Tomlinson Ltd is not a foreign entity. Financial reports are prepared in accordance with the Corporations Act 2001, Applicable Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.

8. The accounts are not subject to audit dispute or qualification. This report is based on accounts that have been audit reviewed. A copy of the audit reviewed Half Year Accounts is attached.

RCR TOMLINSON LTD
AND CONTROLLED ENTITIES
(ACN 008 898 486)

**Interim Financial Report for the Half-Year
Ended 31 December 2008**

DIRECTORS' REPORT

The Directors present their report, together with the consolidated financial report for the half-year ended 31 December 2008 and the review report thereon.

DIRECTORS

The names of Directors who held office during or since the end of the half-year are:

Name	Position
Mr John Noordhoek, BSc, MIE Aust CPEng, AICD	Chief Executive Officer
Mr David Paul Dippie, NZCE	Executive Director
Mr Jeffrey Charles Hogan	Non-executive Director
Mr Charles Birmingham, AICD	Non-executive Director
Mr Roderick Brown, AWASM, AICD, AusIMM	Non- executive Director
Mr Kevin Edwards, LLB, AICD	Non-executive Director
Ms Eva Skira, B.A (Hons), MBA, SF Fin, FAICD, FAIM	Non-executive Director

REVIEW OF OPERATIONS

The Company is pleased to announce a net profit after tax of \$7.65 million (2007: \$9.134 million) or 6.1 cents per share (2007: 7.6) on sales of \$315.8 million (2007: \$223.5 million). The net profit before tax was \$9.0 million (2007: \$11.425 million) or 2.9% (2007: 5.1%) of sales.

Engineering

Revenue increased 50% to \$115.1 million and segment result was up 55% to \$10.7 million. The workshops across Australian operations received record orders. This segment has been strengthened by the addition of Positron Tripower and Positron Spiceline as part of the restructuring of the Positron group.

Energy Systems and Industrial Services

Revenue increased 27% to \$76 million and segment result was down 16% to \$5.9 million. The Australian and New Zealand Systems divisions have been impacted with both offices being advised of projects won being cancelled or delivery dates extended up to 12 months. The service division outlook is strong and the recurring income base continues to grow.

The Laser division second half outlook is subdued compared to the first half as a result of the Global economic uncertainty.

The Heat Treatment division continues to trade strongly and with the planned oil and gas projects in Western Australia the outlook for this division remains strong.

Electrical

This business unit consists of Positron Trident and Positron Power, which was created with the acquisition of the Positron Group in October 2007. The comparisons to 2007 are for three months only. The segment result is a disappointing 3.7% contribution on sales as a result of project losses of \$2.1 million experienced by Power in New South Wales during the half year.

New South Wales division was restructured during the half and under the new management team the outlook is positive. The introduction of SAP has improved visibility on all projects.

RCR have tendered and won a number of combined electrical and mechanical construction/maintenance packages since the acquisition in October 2007.

RCR TOMLINSON LTD
AND CONTROLLED ENTITIES
(ACN 008 898 486)

REVIEW OF OPERATIONS *Cont'd*

Construction and Maintenance

Revenue increased 40% to \$99.6 million and segment result was up 73% to \$5.9 million.

The business outlook remains secure for the second half with the current ongoing projects underpinning the revenue for the sector. Existing contracts in the oil and gas sector for projects running through until 2011 offer considerable upside for this business unit to secure additional work.

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with section 307C of the Corporations Act 2001, the Directors have obtained a declaration of independence from RSM Bird Cameron Partners, the consolidated entity's auditors.

ROUNDING OFF OF AMOUNTS

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.

This report is signed in accordance with a resolution of the Board of Directors:



JOHN NOORDHOEK
DIRECTOR

PERTH: Dated 19 February 2009

RCR TOMLINSON LTD
AND CONTROLLED ENTITIES
(ACN 008 898 486)

**CONSOLIDATED INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

	<u>Consolidated</u>	
	<u>31 Dec 2008</u>	<u>31 Dec 2007</u>
	<u>\$'000</u>	<u>\$'000</u>
Revenues		
Operating activities		
Sales	315,791	223,485
Non-operating activities		
Interest received	56	495
Rent received	2	5
Profit on sale of assets	-	185
Other	<u>14</u>	<u>21</u>
	<u>315,863</u>	<u>224,191</u>
Expenses		
Cost of sales	(285,539)	(196,749)
Administration expenses	(9,649)	(7,579)
Depreciation and amortisation	(8,404)	(6,192)
Finance costs	<u>(3,249)</u>	<u>(2,246)</u>
	<u>(306,841)</u>	<u>(212,766)</u>
Profit Before income tax expense	9,022	11,425
Income tax expense	<u>(1,372)</u>	<u>(2,291)</u>
Profit for the half-year	7,650	9,134
Profit attributable to members of the Parent Entity	<u>7,650</u>	<u>9,134</u>
Basic earnings per share (cents)	6.1	7.6
Diluted earnings per share (cents)	6.0	7.3

The accompanying notes form part of these Financial Statements

RCR TOMLINSON LTD
AND CONTROLLED ENTITIES
(ACN 008 898 486)

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2008**

	<u>Consolidated</u>	
	<u>31 Dec 2008</u>	<u>30 June 2008</u>
	<u>\$'000</u>	<u>\$'000</u>
CURRENT ASSETS		
Cash and cash equivalents	1,741	6,433
Trade and other receivables	103,849	118,294
Inventories	32,913	26,788
Other current assets	<u>2,536</u>	<u>717</u>
Total Current Assets	<u>141,039</u>	<u>152,232</u>
NON-CURRENT ASSETS		
Investments accounted for using the equity method	251	251
Financial assets	15	15
Property, plant and equipment	107,645	102,149
Deferred tax assets	4,827	4,572
Intangible assets	<u>78,346</u>	<u>83,808</u>
Total Non-Current Assets	<u>191,084</u>	<u>190,795</u>
TOTAL ASSETS	<u>332,123</u>	<u>343,027</u>
CURRENT LIABILITIES		
Trade and other payables	69,817	81,495
Short-term borrowings	6,728	7,061
Current tax liabilities	-	136
Short-term provisions	<u>10,443</u>	<u>8,527</u>
Total Current Liabilities	<u>86,988</u>	<u>97,219</u>
NON-CURRENT LIABILITIES		
Trade and other payables	-	3,000
Long-term borrowings	55,317	55,812
Deferred tax liabilities	6,805	7,238
Other long-term provisions	<u>3,503</u>	<u>3,288</u>
Total Non-Current Liabilities	<u>65,625</u>	<u>69,338</u>
TOTAL LIABILITIES	<u>152,613</u>	<u>166,557</u>
NET ASSETS	<u>179,510</u>	<u>176,470</u>
EQUITY		
Issued capital	115,159	114,205
Reserves	13,370	12,648
Retained earnings	<u>50,981</u>	<u>49,617</u>
TOTAL EQUITY	<u>179,510</u>	<u>176,470</u>

The accompanying notes form part of these Financial Statements

RCR TOMLINSON LTD
AND CONTROLLED ENTITIES
(ACN 008 898 486)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

	Issued Capital	Retained Earnings	Asset Revaluation Reserve	Foreign Currency Translation Reserve	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2007	88,417	37,417	14,861	172	140,867
Profit attributable to members of parent entity	-	9,134	-	-	9,134
Adjustments from translation of foreign controlled entities	-	-	-	(350)	(350)
Shares issued (net)	25,517	-	-	-	25,517
Sub-total	113,934	46,551	14,861	(178)	175,168
Dividends paid	-	(5,748)	-	-	(5,748)
Balance at 31 December 2007	113,934	40,803	14,861	(178)	169,420
Balance at 1 July 2008	114,205	49,617	13,968	(1,320)	176,470
Shares issued (net)	954	-	-	-	954
Profit attributable to members of parent entity	-	7,650	-	-	7,650
Adjustments from translation of foreign controlled entities	-	-	4	718	722
Sub-total	115,159	57,267	13,972	(602)	185,796
Dividends paid	-	(6,286)	-	-	(6,286)
Balance at 31 December 2008	115,159	50,981	13,972	(602)	179,510

The accompanying notes form part of these Financial Statements

RCR TOMLINSON LTD
AND CONTROLLED ENTITIES
(ACN 008 898 486)

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

	<u>Consolidated</u>	
	<u>31 Dec 2008</u>	<u>31 Dec 2007</u>
	<u>\$'000</u>	<u>\$'000</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers	330,370	214,973
Payments to suppliers and employees	<u>(309,671)</u>	<u>(201,089)</u>
	20,699	13,884
Interest received	56	483
Interest and costs of finance paid	(3,249)	(2,847)
Income tax paid	(2,036)	(3,812)
Other	<u>116</u>	<u>888</u>
Net Cash Inflow from Operating Activities	<u>15,486</u>	<u>8,596</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of controlled entities and businesses, net of cash acquired	(3,960)	(25,626)
Proceeds from sale of non-current assets	212	259
Purchase of non-current assets	<u>(9,225)</u>	<u>(6,756)</u>
Net Cash Outflow from Investing Activities	<u>(12,973)</u>	<u>(32,123)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	23	317
Proceeds from borrowings	30	25,000
Payment of dividends	(6,286)	(5,748)
Repayments of borrowings	<u>(972)</u>	<u>(4,603)</u>
Net Cash Inflow/(Outflow) from Financing Activities	<u>(7,205)</u>	<u>14,966</u>
Net increase/(decrease) in cash held	(4,692)	(8,561)
Cash at beginning of period	<u>6,433</u>	<u>21,692</u>
Cash at end of period	<u>1,741</u>	<u>13,131</u>

The accompanying notes form part of these Financial Statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

1. BASIS OF PREPARATION

The financial report covers the consolidated entity of RCR Tomlinson Ltd and Controlled Entities. RCR Tomlinson Ltd is a listed public company incorporated and domiciled in Australia.

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. It is also recommended that the half-year financial report be considered together with any public announcements made by RCR Tomlinson Ltd and Controlled Entities during the half-year ended 31 December 2008 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

(a) Reporting basis and conventions

For the purpose of preparing the half-year consolidated report, the half-year has been treated as a discrete reporting period.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets.

The accounting policies applied by RCR Tomlinson Ltd in this financial report are the same as those applied by RCR Tomlinson Ltd in the consolidated financial report as at and for the year ended 30 June 2008.

RCR TOMLINSON LTD
AND CONTROLLED ENTITIES
(ACN 008 898 486)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

		<u>Consolidated</u>	
		<u>31 Dec 2008</u>	<u>31 Dec 2007</u>
		<u>\$'000</u>	<u>\$'000</u>
2.	DIVIDENDS PAID		
	Final dividend of 5.0c per share (2007: 5.0c per share) in respect of the year ended 30 June 2008 paid on 23 September 2008	<u>6,286</u>	<u>5,748</u>
3.	ISSUED CAPITAL		
a)	Paid up capital 125,754,826 (2007: 124,952,560) ordinary shares	<u>115,159</u>	<u>113,934</u>
b)	Movements	<u>No. of Shares</u>	<u>Paid Up Capital</u> <u>\$'000</u>
	Balance 1 July 2008	124,952,560	114,204
	Conversion of options to ordinary shares	25,000	23
	Issue of shares - Applied Laser acquisition	<u>777,266</u>	<u>740</u>
		<u>125,754,826</u>	114,967
	Add: Share-based payment		<u>192</u>
			<u>115,159</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

4. BUSINESS COMBINATION

The Company has purchased the business and maintenance service workshop, including the land, buildings, equipment and the business name of South Australian based engineering services company Davo-Weldtite Pty Ltd for \$3.96 million. The acquisition was internally funded by RCR and is seen as a strategic acquisition of land and buildings from which to build a base servicing the growing resource industry in South Australia.

	Davo-Weldtite Pty Ltd \$'000
Total purchase consideration	3,960
Less shares issued to vendors	-
Cash outflow	<u>3,960</u>
Fair value of assets and liabilities acquired:	
Inventories	198
Property, plant and equipment	3,294
Employee provisions	<u>(8)</u>
	3,484
Goodwill and other intangible assets	<u>476</u>
	<u>3,960</u>

The provisional goodwill is attributable to the profitability of the acquired business and synergies expected to arise after the company's acquisition of the new subsidiary. The provisional fair value plant and equipment is based on an independent valuation. The provisional fair value of other assets and liabilities are based on current book values. No acquisition provisions were created.

The provisional fair value will be finalised and any adjustments disclosed in the company's financial statements for the year ended 30 June 2009.

The acquired business of Davo-Weldtite has contributed revenues of \$1,525,000 and a contribution of \$10,000 to the company since the acquisition date of 7 July 2008.

5. CONTINGENT LIABILITIES

There have been no significant changes in the composition of the contingent liabilities since the last Annual Report for the year ended 30 June 2008.

RCR TOMLINSON LTD
AND CONTROLLED ENTITIES
(ACN 008 898 486)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

6. SEGMENT REPORTING

Primary reporting - Business segments

	RCR Engineering	RCR Energy Systems and Industrial Services	RCR Construction and Maintenance	RCR Electrical	Inter- segment eliminations/ unallocated	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Half Year 2008						
Total segment revenue	115,102	76,054	99,628	49,578		340,362
Intersegment sales					(24,571)	(24,571)
Total sales revenue						315,791
Unallocated revenue						72
Total revenue and other income						315,863
Segment result	10,704	5,943	5,913	1,840		24,400
Unallocated revenue less unallocated expenses						(15,378)
Profit before income tax						9,022
Half Year 2007						
Total segment revenue	77,008	59,857	71,385	25,139		233,389
Intersegment sales					(9,904)	(9,904)
Total sales revenue						223,485
Unallocated revenue						706
Total revenue and other income						224,191
Segment result	6,908	7,066	3,424	1,178		18,576
Unallocated revenue less unallocated expenses						(7,151)
Profit before income tax						11,425

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

6. SEGMENT REPORTING

Business segments

The consolidated group has four business segments:

RCR Engineering services the petrochemical and resource sectors. This division offers a range of innovative integrated services beginning with the initial concept through to full product maintenance.

RCR Energy Systems and Industrial Services comprises RCR Energy Systems, a manufacturer and supplier of energy equipment systems to industry; Tomlinson Boilers, a provider of total repair, maintenance and product support services; RCR Heat Treatment, offering in-house and callout thermal engineering and heat treatment services; RCR Laser, operating in mainland states providing high precision cutting solutions.

RCR Construction and Maintenance consisting of specialised site teams contracted to perform all forms of structural, mechanical and piping installation, construction, plant shutdown repair, refurbishment and planned maintenance functions. With satellite locations throughout Australia, it has the capability to carry out large scale projects across Australia.

RCR Electrical consists of three divisions offering product manufacture, site maintenance and large scale construction services. The business has electrical licences in all mainland states and is capable of undertaking large scale projects across Australia. The business has been restructured and is under new management.

7. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

No matter or circumstance has arisen since 31 December 2008 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.

RSM Bird Cameron Partners

Chartered Accountants

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF RCR TOMLINSON LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of RCR Tomlinson Limited (the consolidated entity) which comprises the income statement, balance sheet, statement of changes in equity, cash flow statement, accompanying notes to the financial statements and directors' declaration for the half-year ended 31 December 2008. The consolidated entity comprises both RCR Tomlinson Limited (the company) and the entities it controlled during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 an Interim 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 financial report is not in accordance with the *Corporations Act 2001* including:

- giving a true and fair view of consolidated entity's financial position as at 31 December 2008 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 the company, 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.

Liability limited by a
scheme approved under
Professional Standards
Legislation

Major Offices in:
Perth, Sydney, Melbourne,
Adelaide and Canberra
ABN 36 965 185 036

RSM Bird Cameron Partners is an
independent member firm of RSM
International, an affiliation of independent
accounting and consulting firms.



Independence

In conducting our review, we have followed applicable independence requirements of the *Corporations Act 2001*.

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 consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

RSM Bird Cameron Partners.

RSM BIRD CAMERON PARTNERS
Chartered Accountants

D J Wall.

D J WALL
Partner

Perth, WA

Dated: 19 FEBRUARY 2009

RSM Bird Cameron Partners

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AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF RCR TOMLINSON LIMITED

As lead auditor for the review of the financial report of RCR Tomlinson Limited for the half-year ended 31 December 2008, 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.

This declaration is in respect of RCR Tomlinson Limited and the entities it controlled during the period.

RSM Bird Cameron Partners.

RSM BIRD CAMERON PARTNERS
Chartered Accountants

D J Wall

D J WALL
Partner

Perth, WA

Dated: *19 FEBRUARY 2009*

RCR TOMLINSON LTD
AND CONTROLLED ENTITIES
(ACN 008 898 486)

DIRECTORS' DECLARATION

In the opinion of the Directors of RCR Tomlinson Ltd:

1. The financial statements and notes thereto set out on Pages 4 to 12 are in accordance with the Corporations Act 2001, and:
 - (a) Comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
 - (b) Giving a true and fair view of the financial position of the consolidated entity as at 31 December 2008 and of its performance, as represented by the results of its operations, changes in equity and cash flows for the half-year ended on that date.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



JOHN NOORDHOEK
DIRECTOR

PERTH: Dated 19 February 2009