



Tomlinson Ltd

Integrated Engineering Solutions



RCR Investor Presentation

Integrated Engineering Solutions

September 2008

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Summary

- RCR has grown revenue over 400% from \$96.6m in 2004 to \$518m in 2008
- RCR has grown NPAT over 600% from \$2.5m in 2004 to \$17.9m in 2008
- Growth has been driven by very strong organic growth and through acquisitions
- Revenue for 2008 grew by 42% but net profit increased by only 2%
- The flat profit result was attributable to project delays and underperforming contracts
- New SAP enterprise system is being implemented across the group in 2009
- RCR is expecting organic revenue growth of 15% in 2009FY & improvement in margins
- Significant benefits are being achieved by RCR through the integration of the business units

Financial Summary for 2008FY

	2008	2007	Change
Revenue (000's)	518,489	364,079	42%
EBITDA (000's)	40,016	33,397	20%
EBITDA Margin	7.7%	9.2%	-16%
EBIT (000's)	25,021	24,365	3%
EBIT Margin	4.8%	6.7%	-28%
NPAT (000's)	17,948	17,632	2%
NPAT Margin	3.5%	4.8%	-27%
EPS (cents) dil	14.3	15.3	-7%
Gearing Ratio	24%	13%	

Financial Summary 2008FY

- Sales Revenue up 42% to \$518.5m
- Fifth consecutive year of record growth
- NPAT up 2% to \$17.95m
- 2008 earnings impacted by project delays in RCR Positron & mechanical construction, and underperforming Positron contracts
- Positron acquisition strengthens RCR's integrated service offering
- Continued contribution from research and development taxation benefit
- Expected return to strong growth in 2009FY

RCR Snapshot

Historical Financial Snapshot

		2005	2006	2007	2008
Revenue	\$m	163.6	273	364.1	518.5
Revenue Growth		67%	67%	34%	42%
EBITDA	\$m	14.5	25.7	33.4	40.0
EBITDA Margin		8.9%	9.4%	9.2%	7.7%
EBIT	\$m	10.1	19.7	24.4	25.0
EBIT Margin		6.2%	7.2%	6.7%	4.8%
NPBT	\$m	9.0	18	22.5	19.4
NPAT	\$m	6.5	15.8	17.6	17.9
NPAT Margin		4.0%	5.8%	4.8%	3.5%
EPS (cents) dil	\$m	9.5	16.8	15.3	14.3
Dividend per share	\$m	2.5	4.0	5.0	5.0
Net Bank Debt - Gearing		13%	Nil	4.0%	22%
Total Gearing		23%	9%	13%	24%

Share Price Performance

RCR Share Price Performance

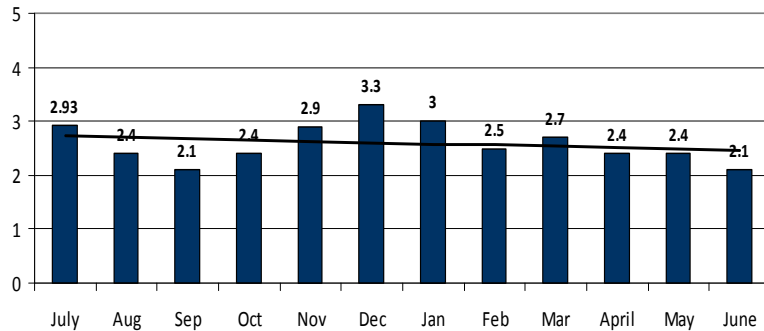


Capital Structure Snapshot

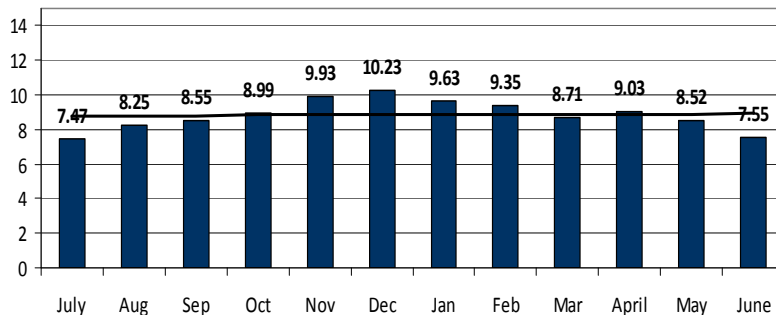
Shares on issue	125.7m
Options on issue	5.6m
Current share price	\$1.03
Market capitalisation	\$129m

2007/08 Safety Indicators

Lost Time Injury Frequency Rate



Restricted Work Injury



2007/2008 Safety Year

- Risk Exposure hours 12.7% increase

Leading Indicators

- Stop & Think risk assessments 63% increase
- UAP Unsafe Acts Prevented 43% increase
- Pre-Start Meetings 85% increase
- Toolbox Meetings 26% increase

Lagging Indicators

- LTI Frequency Rate 24.28 % decrease
- RWI Frequency Rate 5.09 % decrease

People

The industry has suffered from a skills shortage

Employees

- RCR currently employs 2,248 people throughout Australia and New Zealand

Graduates

- RCR Graduate Program offers opportunities for undergraduate engineers to participate in workshop activities, design and engineering management
- RCR formed an agreement with Engineers Australia, allowing new engineering graduates to participate in Professional Development Program

Apprenticeships

- RCR currently has over 120 apprentices in fabrication, mechanical and electrical trades across Australia and NZ
- Traineeship opportunities are provided in design drafting, metallurgy, rubber, business administration and competitive manufacturing

RCR Growth Profile



1996

Listed on ASX

Merged with Capital Investment Corporation

1998

Entry into Energy & Heat Treatment

Merged with Centurion Industries and re-branded as RCR Tomlinson Ltd

2001

Expanded Energy Investment & Regional Maintenance

Acquired John Thompson Packaged Boilers, Established Tom Price branch

2003

Expanded Heat Treatment

Acquired Austheat

2005

Expand Energy, regional Maintenance locations & Laser

Acquired Easteel, Newman Engineering, and Advanced Cutting Services, set up Kalgoorlie branch

2007

Expand Construction and Mechanical Services & Products

Acquired Boilergenic, Applied Laser and Eagle Engineering

2004

Entry into Laser business and expansion of Mechanical Services & Products

Acquired Stelform, Laser and Allied

2006

Expand Construction and Mechanical Services & Products

Acquired J G Engineering, VRBT and Australian Crusher Repairs

2008

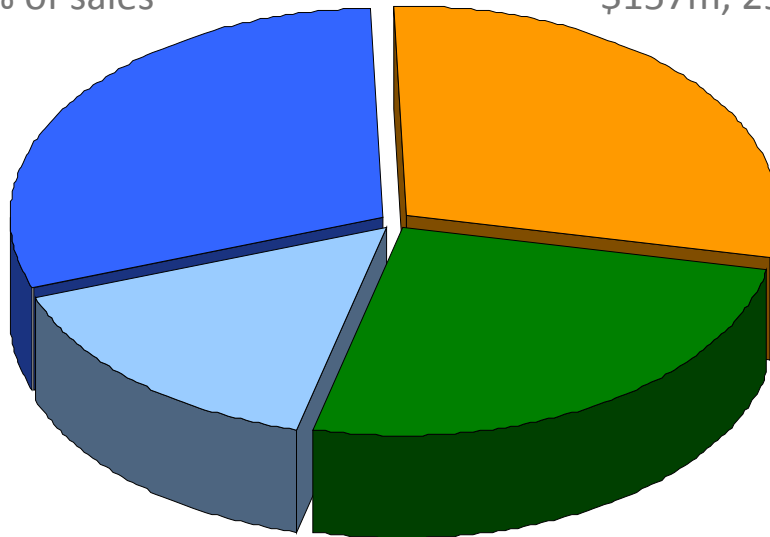
Entry into Electrical Sector & South Aust

Acquired Positron
Acquired Davo-Weldtite

Sales Revenue by Business Unit

RCR Engineering
\$164m, 30% of sales

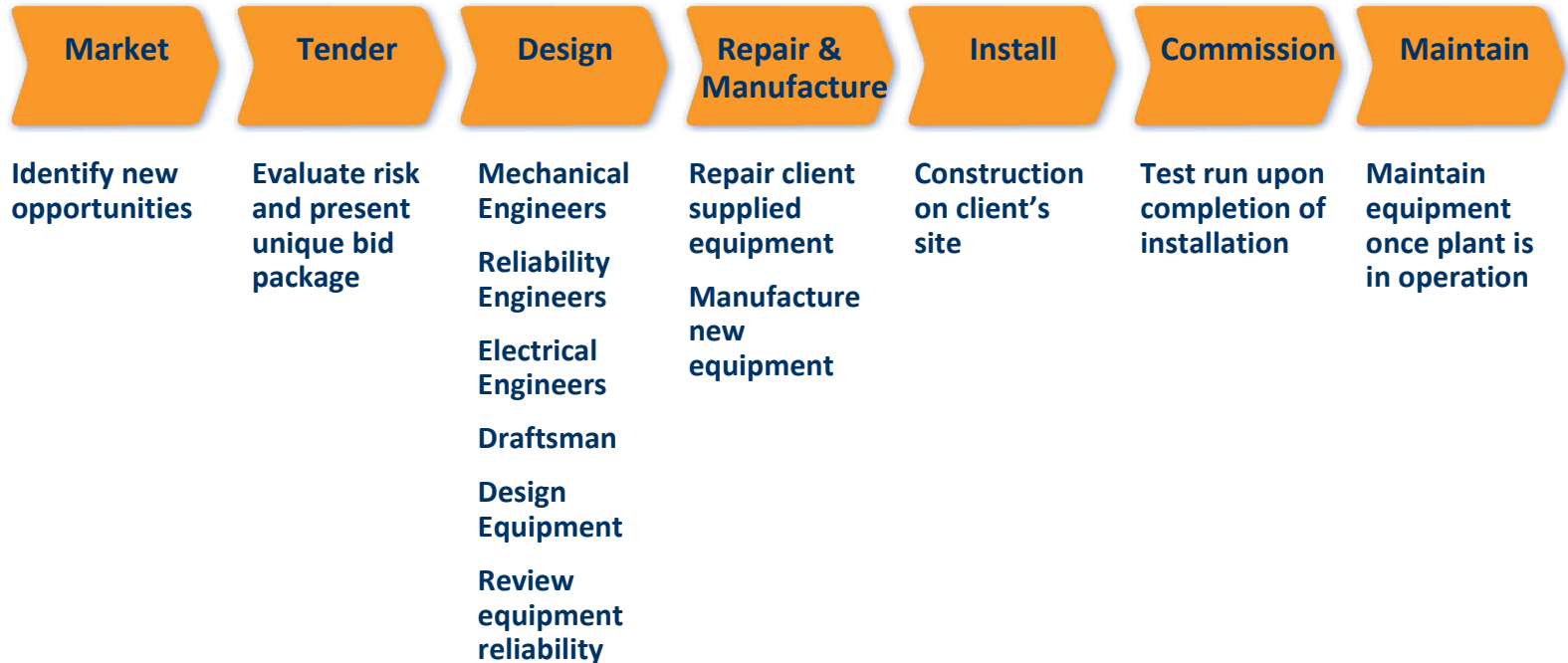
RCR Construction and Maintenance
\$157m, 29% of sales



RCR Positron (9 months)
\$85m, 15% of sales

RCR Energy and Industrial Services
\$140m, 26% of sales

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RCR Engineering

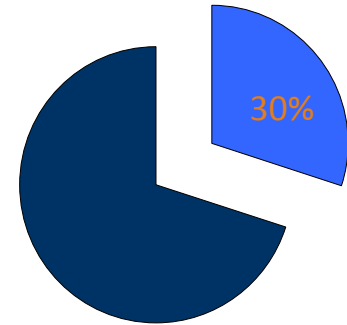
	2008	2007	% Change
Gross Sales (000's)*	164,213	133,231	23.2%
Contribution to Gross Earnings ^	15,036	10,703	40.5%

*Before internal deductions

- Mechanical services
- Design
- Equipment repair
- Workshops
- Products

Highlights

- Secured Iluka mining unit plant design contract
- Established dedicated sales & marketing team
- Expansion of reliability engineering team
- Finalised acquisition of Davo-Weldtite, establishing SA operation



Turnover

RCR Construction and Maintenance

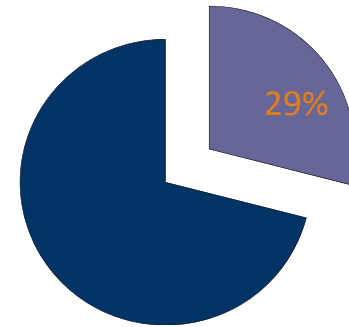
	2008	2007	% Change
Gross Sales (000's)*	157,212	163,566	-4%
Contribution to Gross Earnings ^	11,863	19,797	-59%

*Before internal deductions

- Project management for construction projects across Australia
- Unique “one-stop-shop” from design through to installation all in house
- Regional facilities to support major projects
- Focus on resources, chemical and oil and gas sectors

Highlights

- BHPB Port Hedland Stacker reclaimers & Ship loader, jetty upgrade (~\$12m)
- Pilbara Iron, Rail Wagon Maintenance contract (~\$8m)
- QAL contract for structural, mechanical, piping & electrical (~\$10m pa)
- Stelform VRBT Liddell Power Station Shutdown Maintenance Evergreen Alliance (~\$12m+pa)



Turnover

RCR Energy and Industrial Services

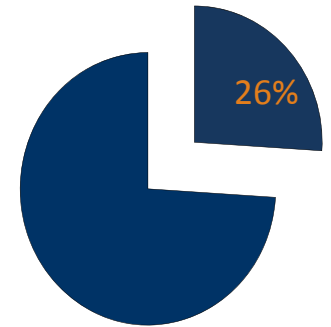
	2008	2007	% Change
Gross Sales (000's)*	140,111	93,419	49.9%
Contribution to Gross Earnings	15,889	12,799	24.1%

*Before internal deductions

- Supplier of energy systems, industrial & laser services
- One-stop-shop with national coverage
- Market leader in packaged boilers up to 50MW
- Industry focus: dairy, timber, manufacturing, chemical & mining

Highlights

- Dramatic growth in sales for Energy Systems NZ (50%) & Australia (100%)
- Successful completion of Tropik Wood energy boiler plant in Fiji
- Successful completion of the Fonterra Te Awamutu boiler
- Successful completion of the Train 5 LNG project
- Record sales for Energy Service
- Integrated Applied Laser & now largest Aust multi-site Laser operation



Turnover

RCR Positron

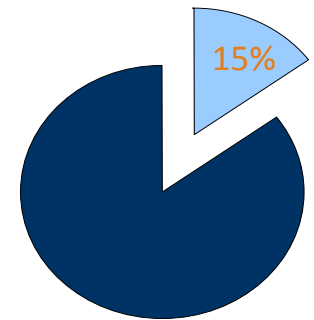
	2008
Gross Sales (000's)*	85, 491
Contribution to Gross Earnings	-155

*Before internal deductions

- RCR Positron was acquired in October 2007
- Electrical, instrumentation contractor
- Adds important component to RCR's integrated engineering offering

Highlights

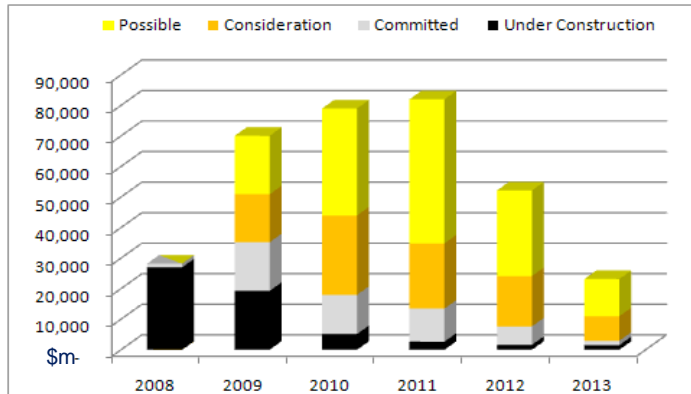
- Management has addressed contract issues experienced during the year
- BHPB Ravensthorpe on-site maintenance contract
- Prominent Hill major electrical instrument contract
- Engineering/Manufacturing facility working at capacity



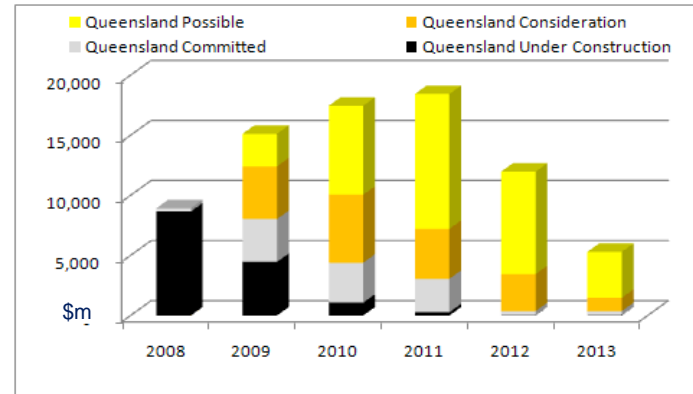
Turnover

Project Outlook Remains Strong

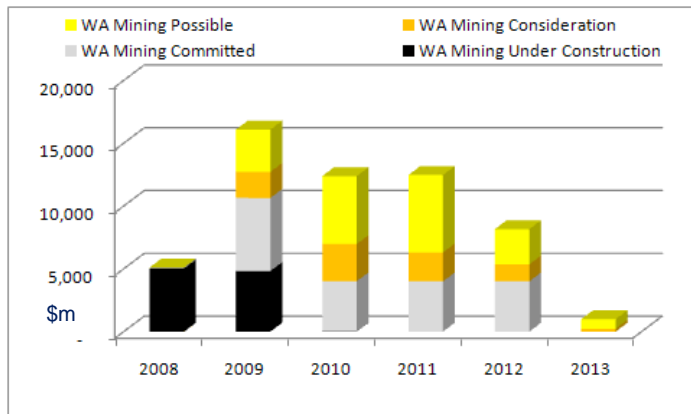
Total Resources Projects



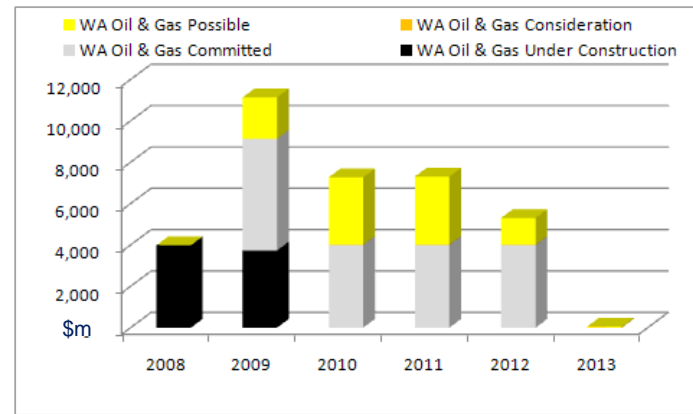
Queensland Projects



WA Mining Projects

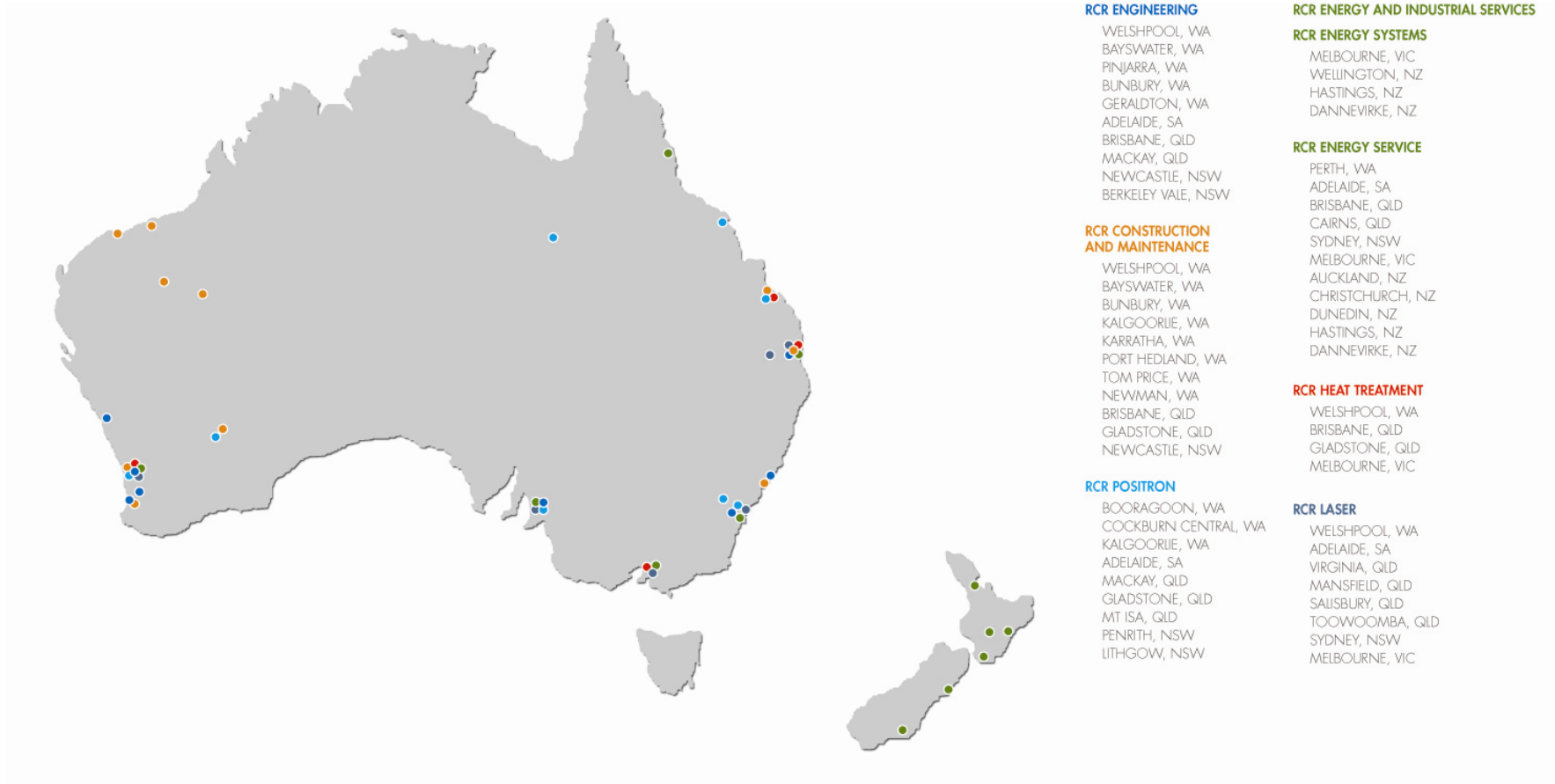


WA Oil & Gas Projects

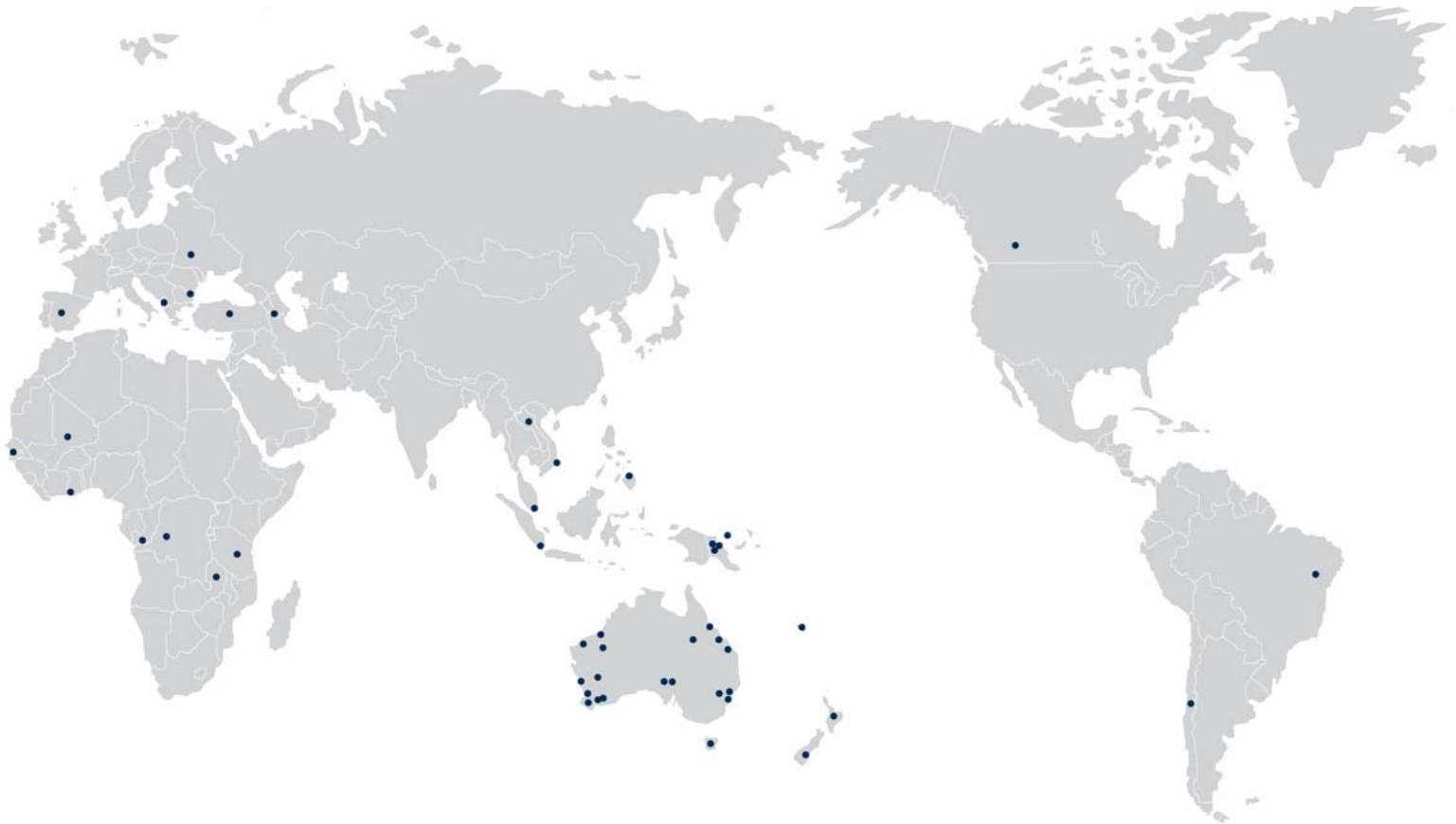


Source: Compiled from Access Economics data June 2008. In A\$ million

RCR Locations



Global Reach



Armenia Australia Brazil Bulgaria Canada Chile Congo Democratic Republic of Congo Ghana Indonesia Laos Lihir Malaysia Mali New Caledonia New Zealand Philippines Papua New Guinea Singapore Spain Tanzania Thailand Turkey Vietnam Zambia



RCR Growth Strategy

Organic growth

- Increase capacity (eg, double shift workshop, offshore fabrication)
- Provide additional services to a larger client base, across more industries
- Exposure to larger projects in resources and infrastructure
- Continue to grow synergies across the business units eg. electrical & mechanical

Growth through acquisition

- Continue to assess the acquisition of companies that are a strategic and complementary fit with existing business units
- Focus on companies with strong growth profile but limited by factors such as staff or balance sheet capacity
- Acquisitions that are value adding to RCR through IP, critical mass and cross selling
- Add people and skills to RCR

RCR Outlook

- RCR is expecting organic revenue growth of 15% in 2009FY & improvement in margins
- Strong order book of \$170m (previous corresponding period: \$50m) relating to non recurring project work
- 50% of anticipated full year project revenue already contracted
- High level of new projects commenced in 1Q 2009. Profit weighted to 2nd half
- RCR continues to grow organically and by acquisitions
- New mines and expansions that have come on line, in particular iron ore in the Pilbara region will increase industry maintenance requirements
- Industry challenges continue to be project delays and skills / contractor constraints