



Tomlinson Ltd
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INTEGRATED ENGINEERING SOLUTIONS



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The Manager
Company Announcements Platform
Australian Stock Exchange Ltd

RCR Reaches Agreement to Acquire Advanced Cutting Service

RCR Tomlinson Ltd (RCR) is pleased to advise that it has reached agreement to purchase the business and business assets of Advanced Cutting Service, a business engaged in the laser cutting of metals located at Mt Gravatt, south of Brisbane in Queensland.

This acquisition builds on last year's acquisition of Laser & Allied Cutting Services in Western Australia and is part of the Company's strategic focus to grow its exposure to this fast growing high margin industry.

The purchase price is \$7.3m representing 3.8 times expected 2006 EBIT of \$1.9m payable by way of 1.25m shares issued at \$1.15 (escrowed for three months) and the balance in cash.

Advanced Cutting Service has experienced compounded growth of 36% per annum for the past ten years and in the year ended June 2006 is expected to have sales of approximately \$8m with an EBIT of \$1.9m.

The principals of the business will be employed by RCR to consolidate and grow the Company's exposure to the laser cutting industry.

This acquisition is in addition to the acquisitions of Easteel Industries Ltd and Newman Engineering announced on 19 October 2005 and will be funded from additional banking facilities.

The acquisition is subject to both the parties agreeing formal documentation with the completion date scheduled for 15 November 2005.

A handwritten signature in black ink, appearing to be 'JL'.

JOHN LINDEN
MANAGING DIRECTOR