



Tomlinson Ltd

Investor Presentation

Presentation by

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Managing Director

October 2005

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Company Overview

- ◆ RCR Tomlinson Ltd ("RCR") is a leading multi-disciplined engineering company specialising in the design, manufacture and maintenance of heavy equipment and industrial energy systems and site maintenance and construction, employing in excess of 1,000 staff and contractors
- ◆ Our core areas of expertise include:
 - ◆ Repair and maintenance
 - ◆ Equipment manufacture
 - ◆ Heat treatment
 - ◆ Laser cutting services
 - ◆ Energy systems design, supply and service
 - ◆ Site maintenance and construction
- ◆ These services are delivered to clients and customers from both workshop and site based crews
- ◆ The Company has a track record of creating value through organic growth and acquisitions of engineering companies

Operational Highlights

- ◆ Acquisition of Easteel Industries Ltd
- ◆ Acquisition of Newman Engineering
- ◆ Acquisition of Advanced Cutting Service
- ◆ The 2005FY was a record year for RCR
- ◆ Integration of Stelform and Laser & Allied acquisitions
- ◆ Significant work in progress and order book
- ◆ Workshops operating near capacity
- ◆ Tight control of tendering and contract performance
- ◆ No problem contracts

Overview of Acquisitions

Easteel Industries

- ◆ Announced acquisition of Easteel Industries Ltd (“Easteel”) on 19 October 2005
- ◆ Acquisition effective 1 July 2005
- ◆ Easteel (established in 1953) is based in New Zealand, employs 130 people and is a leading Australasian supplier of energy equipment systems to industry. Easteel provides solutions (design, manufacture, project management) for any fuel, or heat transfer media, from 1MW to 200MW output
- ◆ Easteel revenue for 2006FY targeted to be \$30m with an EBIT of \$2.8m
- ◆ Total maximum consideration of \$9.8m representing a multiple of 3.5 times targeted EBIT of \$2.8m
- ◆ 4.27m vendor shares at \$1.06
- ◆ Vendor shares escrowed for 12 months





Tomlinson Ltd

Easteel - Technical Centre - Hastings

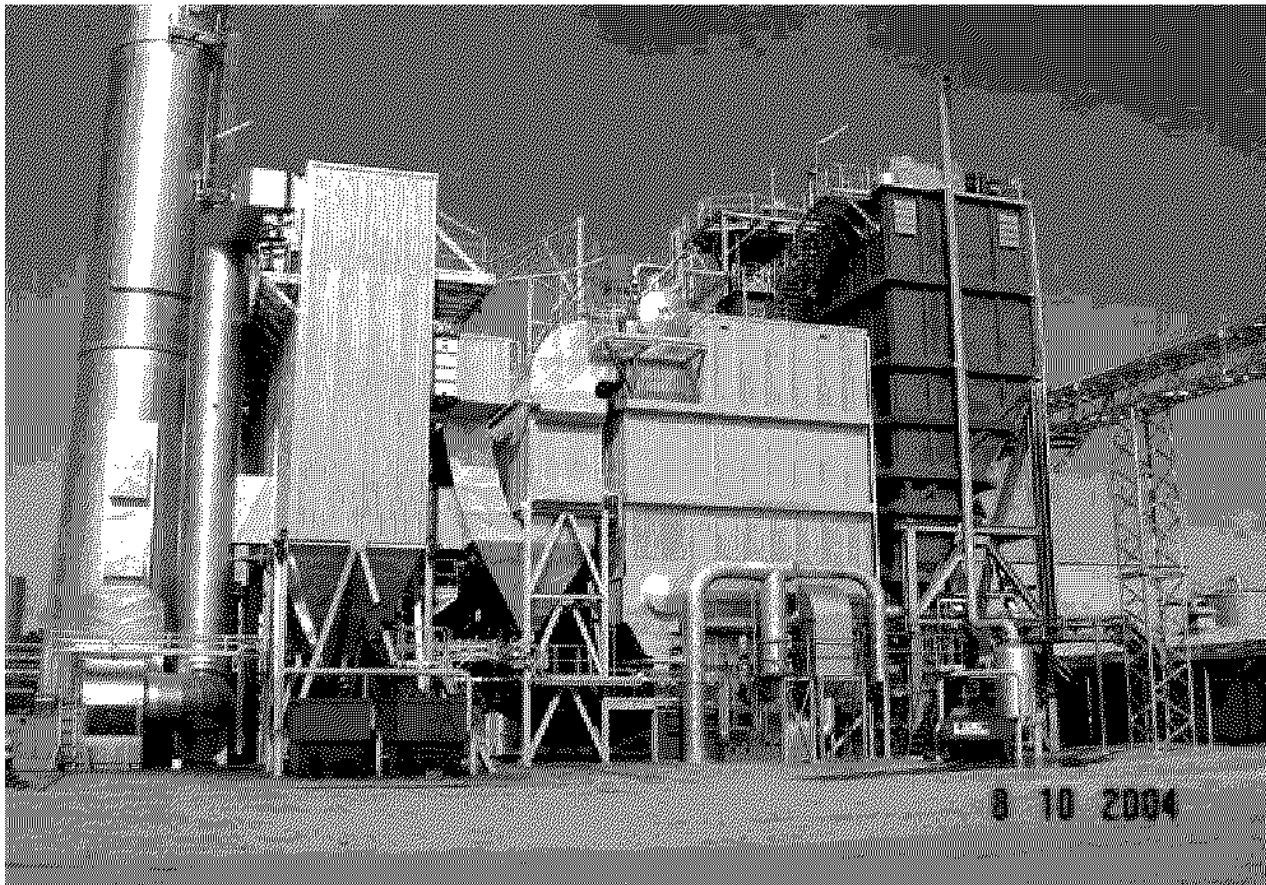


Easteel
ENERGY SYSTEMS



Tomlinson Ltd

Fonterra Clandeboye 2 x 40MW - Completed



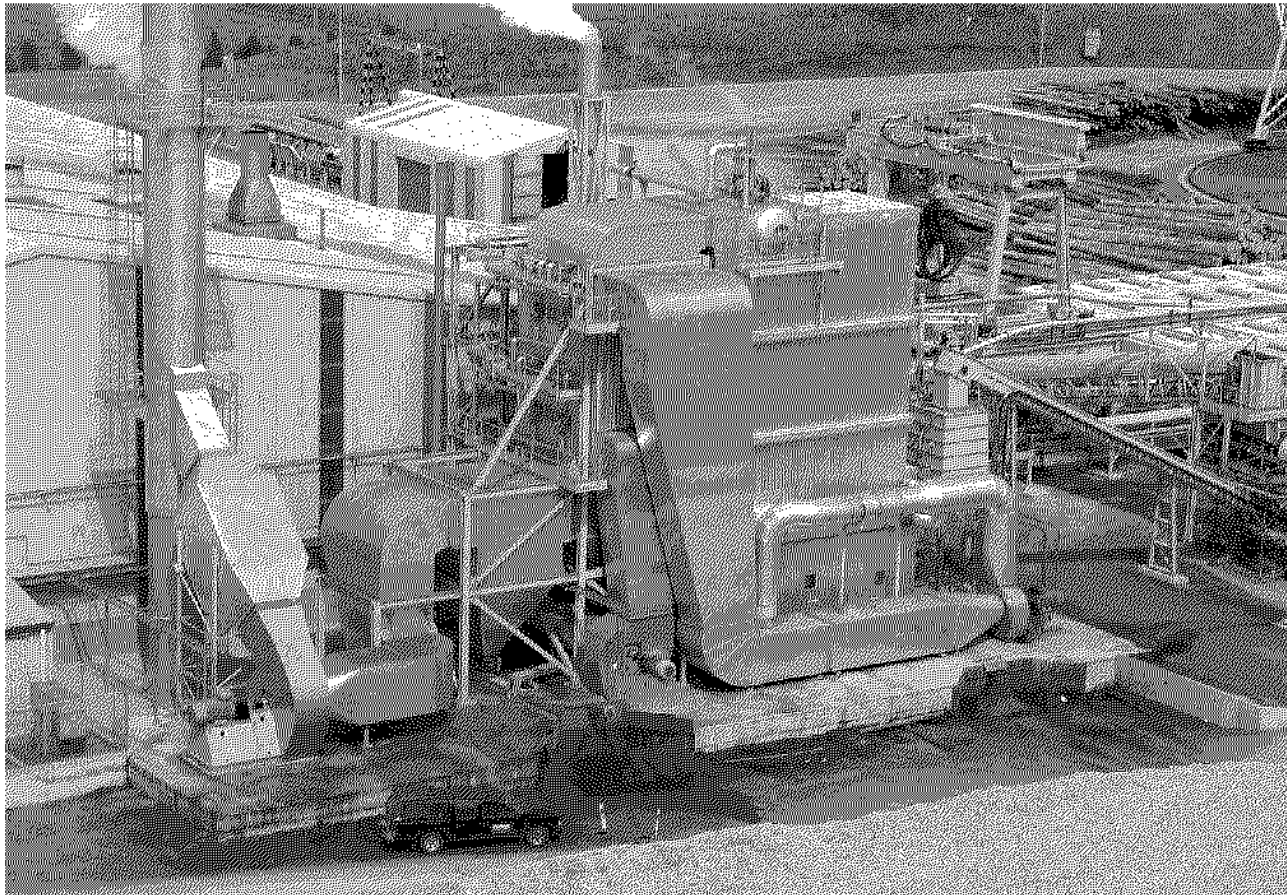
Easteel
ENERGY SYSTEMS

RCR Tomlinson Ltd



Tomlinson Ltd

Nelson Pine 20MW

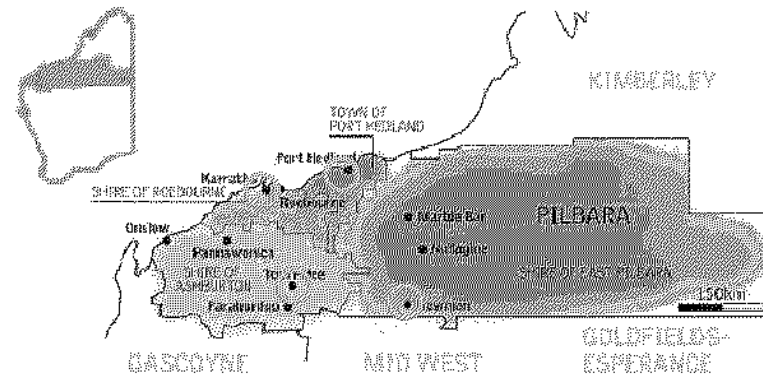


Easteel
ENERGY SYSTEMS

RCR Tomlinson Ltd

Newman Engineering

- ◆ Announced acquisition of the business of Newman Engineering on 19 October 2005
- ◆ Acquisition effective 7 November
- ◆ Site maintenance and construction operations based in Newman & Port Hedland, WA
- ◆ Completes RCR's site maintenance and construction coverage in the Pilbara region
- ◆ Workshop facilities and 65 staff
- ◆ Newman revenue for 2006FY is expected to be \$10m with an EBIT of \$1m
- ◆ Total consideration of \$4m is represented by plant and equipment of \$3m and goodwill of \$1m
- ◆ 1.5m vendor shares at \$1.10
- ◆ Vendor shares escrowed for 3 months



Location of RCR site maintenance workshops and offices

Advanced Cutting Service

- ◆ Announced acquisition of the business and business assets of Advanced Cutting Services on 24 October 2005
- ◆ Fast growing, high margin laser cutting business located in Mt Gravatt, south of Brisbane
- ◆ Acquired on an EBIT multiple of 3.8 times 2006FY expected EBIT of \$1.9m
- ◆ Expected 2006FY revenue of \$8m implying EBIT margin of 24%
- ◆ Total consideration of \$7.3m payable by way of 1.25m shares at \$1.15, cash of \$3.85m and assigned equipment debt financing of \$2m
- ◆ Vendor shares escrowed for 3 months
- ◆ The two principals will continue to be employed by RCR
- ◆ Continue to grow the laser cutting business Australia wide

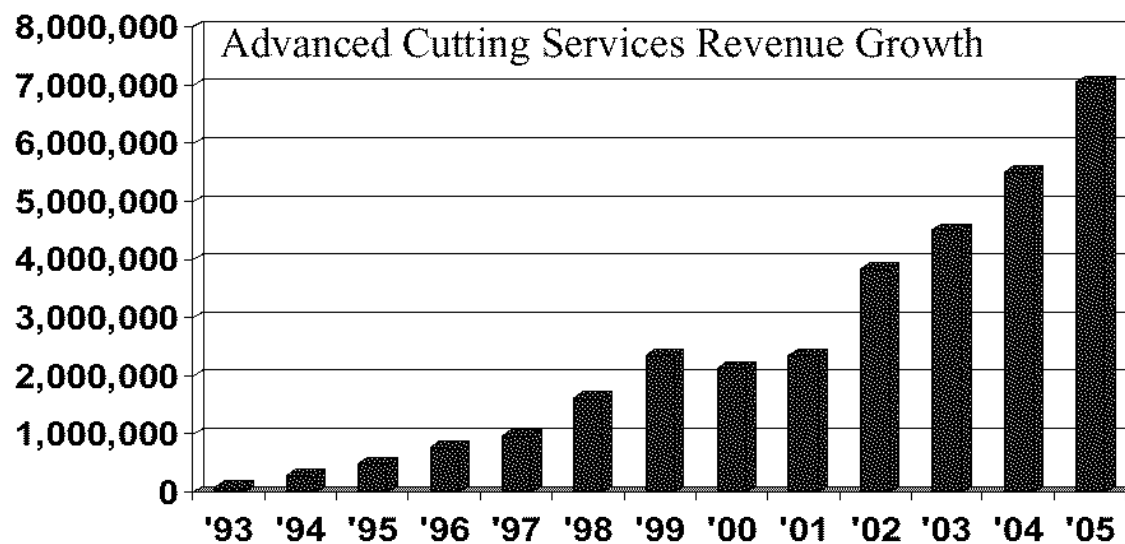
Advanced Cutting Service - Workshop



Advanced Cutting Service – Lasers



In 12 Years ACS has Sustained an Average Growth Rate of 36%



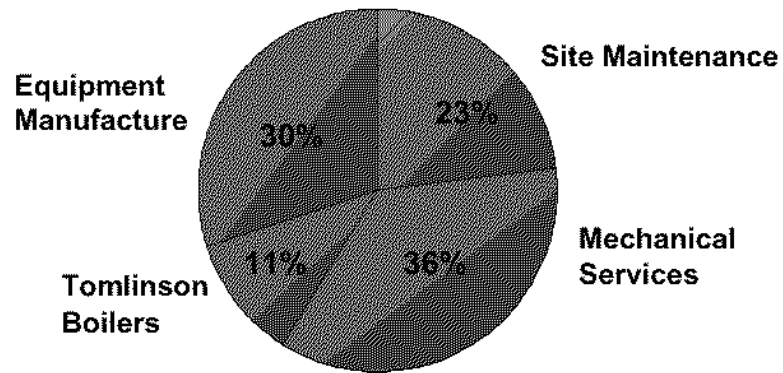
	Actual 2004	Actual 2005	Expected 2006
Sales	5.6	7.05	7.88
Cost of Goods	1.54	2.43	2.76
Gross Margin	4.06	4.61	5.06
EBIT	1.65	1.58	1.90

Benefits of the Acquisitions

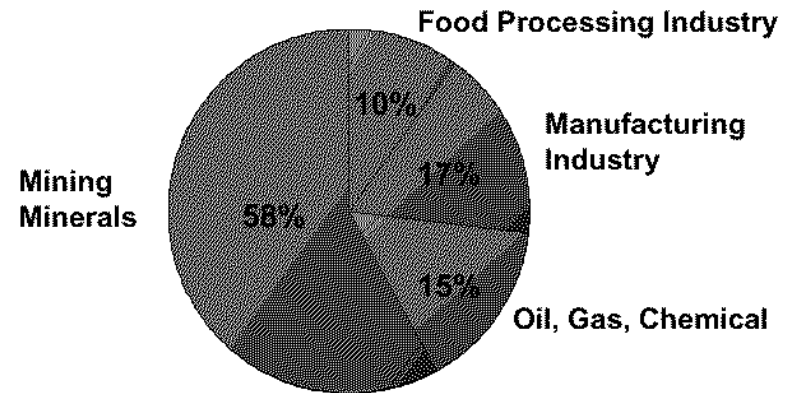
- ◆ Easteel has significant synergies with RCR's existing Tomlinson Boilers and Stelform operations. The acquisition will increase RCR's Australasian market share in the energy systems industry and provide an increased range of IP and products
- ◆ Newman Engineering will be integrated into RCR's Pilbara based Site Maintenance and Construction division, increasing the ability of the division to deliver personnel and expertise to mining operations in the region, particularly BHP
- ◆ Advanced Cutting Services will be integrated with the Laser & Allied business. Look to consolidate and grow this division of RCR on a national basis.
- ◆ These acquisitions will assist to improve RCR's operating margins
- ◆ Acquisitions are earnings accretive
- ◆ RCR has a track record of acquiring engineering businesses and successfully integrating them with its existing operations (Capital Investments Corp 1996, Centurion Industries 1998, John Thompson Packaged Boilers 2001, Austheat 2003, Stelform 2004, Laser & Allied 2004)

Sales Revenue

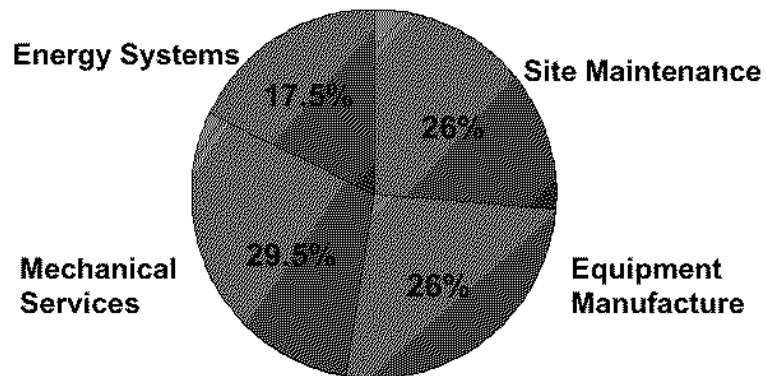
2005FY Sales by Activity



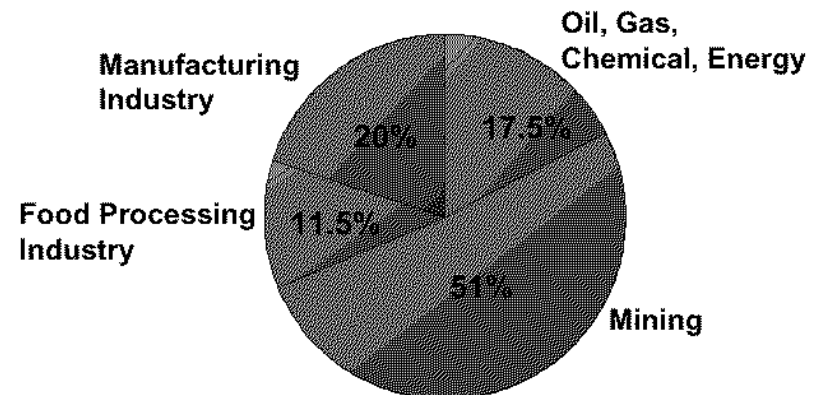
2005FY Sales by Industry Sector



2006FY Proforma Sales by Activity



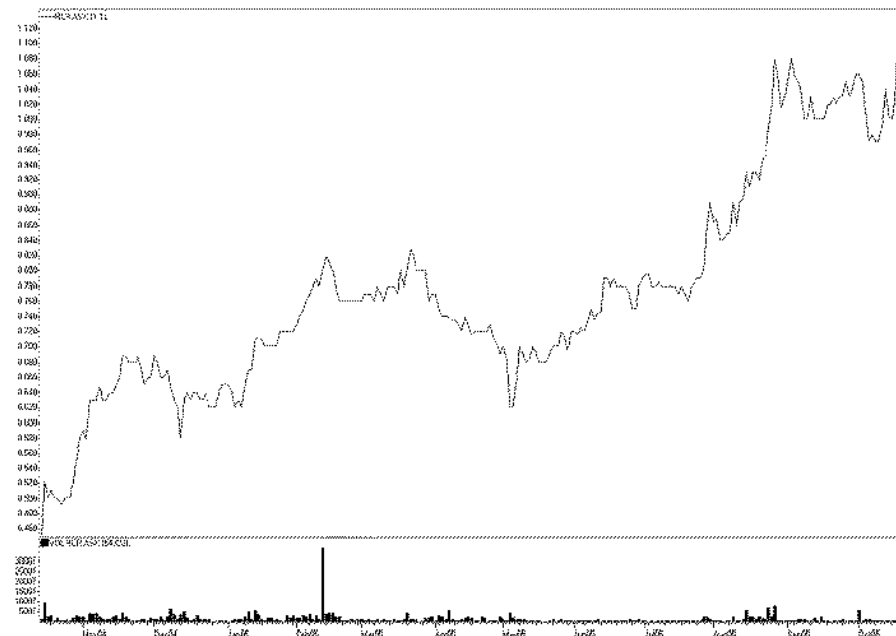
2006FY Proforma Sales by Industry Sector



Overview of RCR Financials

RCR Snapshot

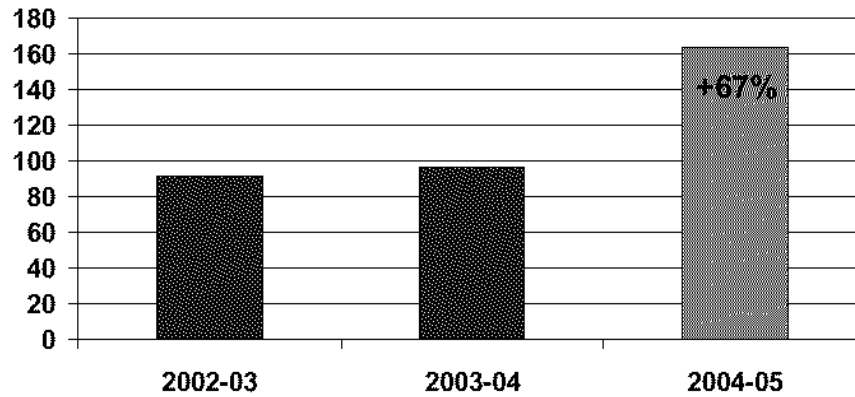
Current Share Price	\$1.08
Shares on issue	79.1m
Market capitalisation	\$85m
Financials 30 June 2005	
Operating Sales	\$163.4m
EBITDA	\$14.4m
Depreciation & Amortisation	\$4.4m
EBIT	\$10.0m
NPAT	\$6.47m
Weighted earnings per share	9.5cps
Dividend per share	2.5cps



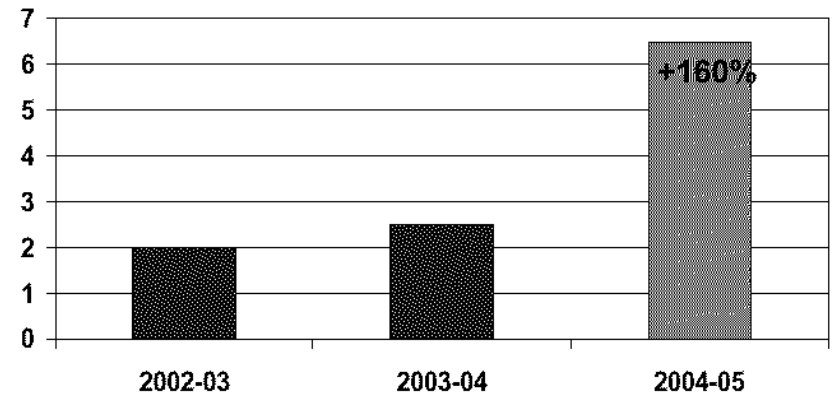
Ray Lynch	Chairman
John Linden	Managing Director
Charles Birmingham	Director
John McColl	Director
John Noordhoek	Director
Roderick Brown	Director

Financial Highlights

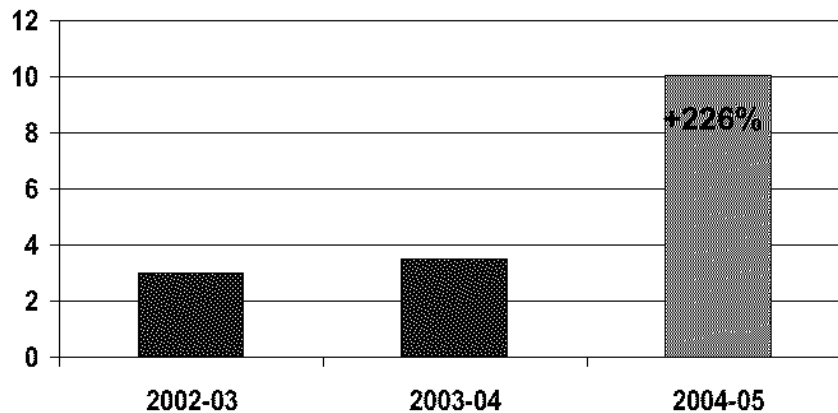
Sales \$M



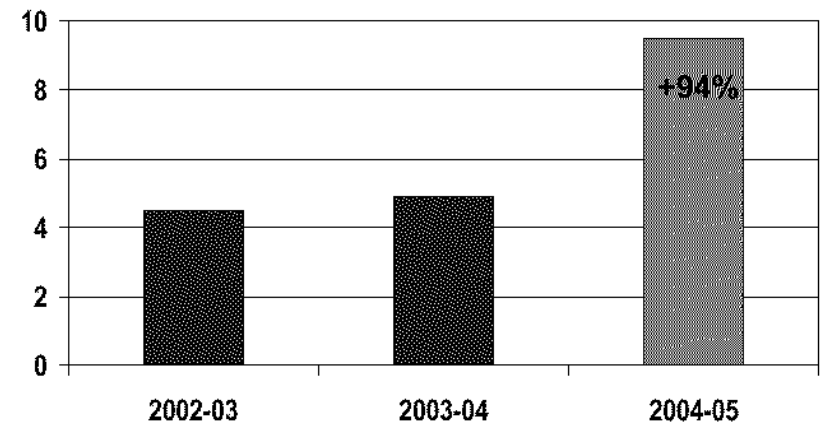
NPAT \$M



EBIT \$M

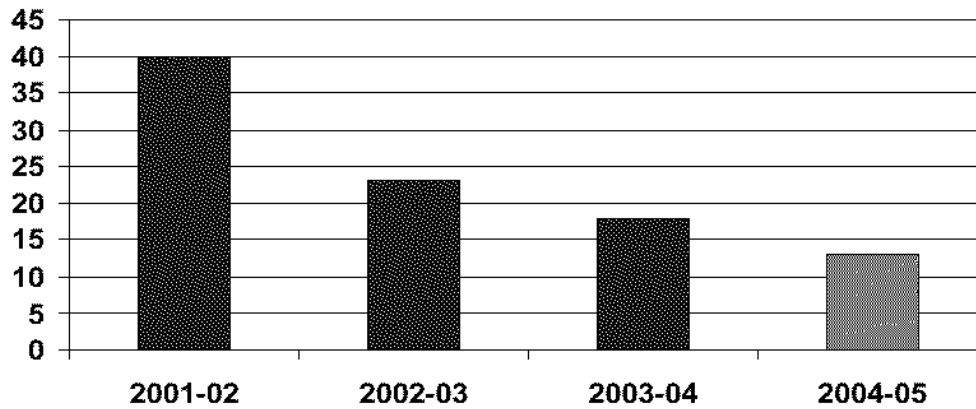


Earnings (cents per share)

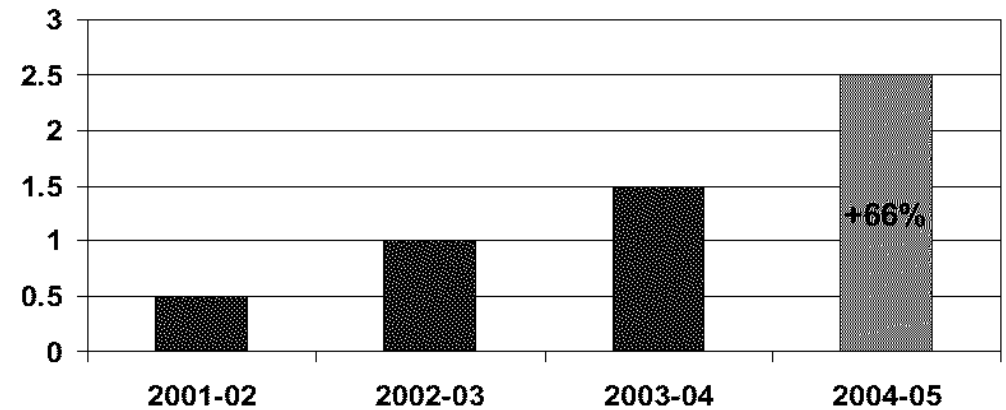


Gearing & Dividends

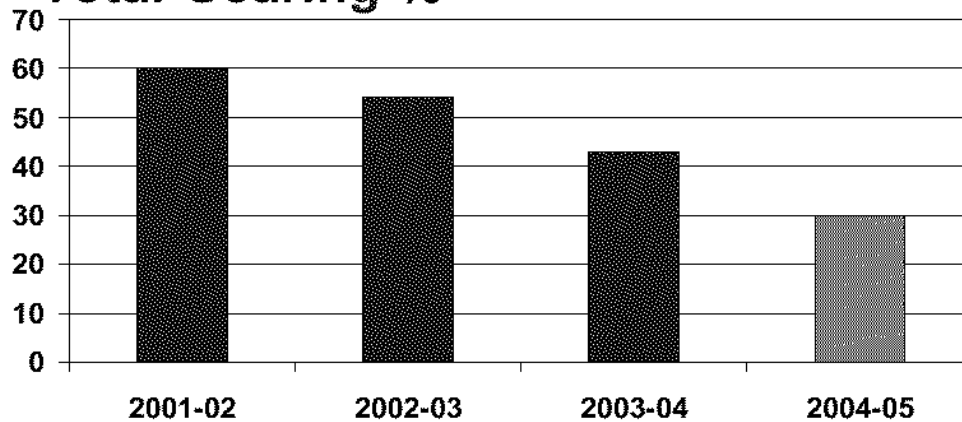
Net Bank Debt – Gearing %



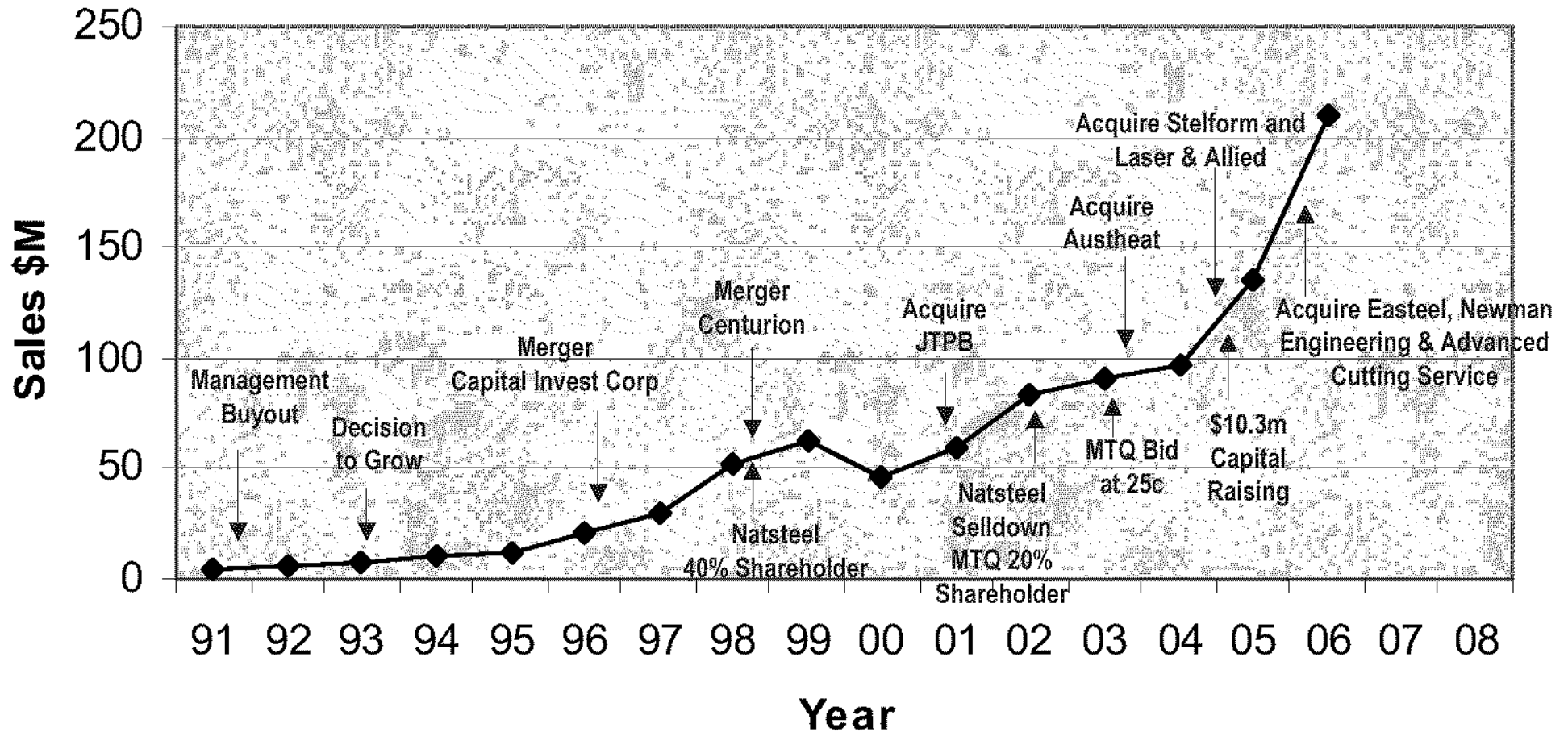
Dividend (cents per share)



Total Gearing %



RCR Snapshot – Historical Growth



Outlook

Current Year Outlook

- ◆ Booming operating environment
- ◆ Continued growth in Site Maintenance
- ◆ Strong equipment orders
- ◆ Record levels of quoting
- ◆ Diversification and expansion into Energy Systems
- ◆ Integrate and grow Laser Cutting operations
- ◆ Workshops in WA and Eastern States operating near capacity
- ◆ Focus on export markets for proprietary products
- ◆ Continue growth by acquisition strategy

Contact Details

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