NORFOLK GROUP LIMITED

APPENDIX 4E – PRELIMINARY FINAL REPORT YEAR ENDED 31 MARCH 2013

Results for announcement to the market

	March 2013	March 2012	Change	Change
Financial Results	\$'000	\$'000	\$'000	%
Revenue from continuing operations	938,502	898,287	40,215	4.5%
Earnings before interest and tax from continuing operations	(57,951)	31,987	(89,938)	(281.2%)
Net Profit/(Loss) from continuing operations	(40,672)	40,135	(80,807)	(201.3%)
Net Profit/(Loss) attributable to members	(42,347)	36,857	(79,204)	(214.9%)

Dividends	Amount per Security	Franked Amount per Security
Final Dividend	nil	nil
Previous Corresponding Period	2 cents	nil
Record Date for Determining Entitlement:	n/a	
No final dividend has been declared in relation to the	year ended 31 March 2013	3.
There is currently no dividend reinvestment plan in o	peration.	

Explanation of Results

Earnings before interest and tax from continuing operations for the year ended 31 March 2013 was a loss of \$57,951,000, representing a 281% decrease from the year ended 31 March 2012.

Please refer to the attached Consolidated Financial Statements and notes and the attached Results Announcement for the year ended 31 March 2013 for further explanation of results.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2013

		Group	Group
	Note	2013	2012
		\$'000	\$'000
	_		
Revenue from continuing operating activities Other income	3	938,502	898,287 262
Expenses		-	202
Cost of sales		(887,449)	(778,501)
Selling and distribution costs		(27,243)	(39,733)
Marketing expenses		(1,247)	(288)
Occupancy expenses		(13,945)	(8,539)
Administrative expenses		(64,739)	(39,346)
Finance costs		(4,962)	(4,186)
Profit/(Loss) before income tax Income tax credit / (expense)		(61,083) 20,411	27,956 12,179
Profit/(Loss) from continuing operations		(40,672)	40,135
Trong(2000) from continuing operations		(40,012)	40,100
Profit/(Loss) from discontinued operations		(1,893)	(3,376)
Profit/(Loss) for the year		(42,565)	36,759
Other Comprehensive Income			
Items that may be reclassified to profit or loss Translation of foreign operations		123	669
Changes in the fair value of cash flow hedges		123	71
		_	/ 1
Tax effect of changes in the fair value of cash flow			
Tax effect of changes in the fair value of cash flow hedges		_	(21)
		-	(21)
hedges Total other comprehensive income/(expense) for the year, net of tax		123	719
hedges Total other comprehensive income/(expense) for		123 (42,442)	
hedges Total other comprehensive income/(expense) for the year, net of tax Total comprehensive income for the year			719
hedges Total other comprehensive income/(expense) for the year, net of tax Total comprehensive income for the year Profit/(Loss) is attributable to:		(42,442)	719 37,478
hedges Total other comprehensive income/(expense) for the year, net of tax Total comprehensive income for the year Profit/(Loss) is attributable to: Minority interests		(42,442) (218)	719 37,478
hedges Total other comprehensive income/(expense) for the year, net of tax Total comprehensive income for the year Profit/(Loss) is attributable to:		(42,442) (218) (42,347)	719 37,478 (98) 36,857
hedges Total other comprehensive income/(expense) for the year, net of tax Total comprehensive income for the year Profit/(Loss) is attributable to: Minority interests		(42,442) (218)	719 37,478
hedges Total other comprehensive income/(expense) for the year, net of tax Total comprehensive income for the year Profit/(Loss) is attributable to: Minority interests		(42,442) (218) (42,347)	719 37,478 (98) 36,857
Total other comprehensive income/(expense) for the year, net of tax Total comprehensive income for the year Profit/(Loss) is attributable to: Minority interests Equity holders of the company Total Comprehensive Income for the year is		(42,442) (218) (42,347)	719 37,478 (98) 36,857
Total other comprehensive income/(expense) for the year, net of tax Total comprehensive income for the year Profit/(Loss) is attributable to: Minority interests Equity holders of the company Total Comprehensive Income for the year is attributable to:		(218) (218) (42,347) (42,565)	719 37,478 (98) 36,857 36,759
hedges Total other comprehensive income/(expense) for the year, net of tax Total comprehensive income for the year Profit/(Loss) is attributable to: Minority interests Equity holders of the company Total Comprehensive Income for the year is attributable to: Minority interests		(218) (218) (42,347) (42,565)	719 37,478 (98) 36,857 36,759
Total other comprehensive income/(expense) for the year, net of tax Total comprehensive income for the year Profit/(Loss) is attributable to: Minority interests Equity holders of the company Total Comprehensive Income for the year is attributable to:		(218) (218) (42,347) (42,565)	719 37,478 (98) 36,857 36,759
hedges Total other comprehensive income/(expense) for the year, net of tax Total comprehensive income for the year Profit/(Loss) is attributable to: Minority interests Equity holders of the company Total Comprehensive Income for the year is attributable to: Minority interests		(218) (218) (42,347) (42,565)	719 37,478 (98) 36,857 36,759
hedges Total other comprehensive income/(expense) for the year, net of tax Total comprehensive income for the year Profit/(Loss) is attributable to: Minority interests Equity holders of the company Total Comprehensive Income for the year is attributable to: Minority interests		(218) (42,347) (42,565) (218) (42,224)	719 37,478 (98) 36,857 36,759 (98) 37,576
hedges Total other comprehensive income/(expense) for the year, net of tax Total comprehensive income for the year Profit/(Loss) is attributable to: Minority interests Equity holders of the company Total Comprehensive Income for the year is attributable to: Minority interests		(218) (42,347) (42,565) (218) (42,224)	719 37,478 (98) 36,857 36,759 (98) 37,576
Total other comprehensive income/(expense) for the year, net of tax Total comprehensive income for the year Profit/(Loss) is attributable to: Minority interests Equity holders of the company Total Comprehensive Income for the year is attributable to: Minority interests Equity holders of the company	12	(218) (42,347) (42,565) (218) (42,224) (42,442) Cents	719 37,478 (98) 36,857 36,759 (98) 37,576 37,478 Cents
Total other comprehensive income/(expense) for the year, net of tax Total comprehensive income for the year Profit/(Loss) is attributable to: Minority interests Equity holders of the company Total Comprehensive Income for the year is attributable to: Minority interests Equity holders of the company Basic earnings per share from continuing operations	12 12	(218) (42,347) (42,565) (218) (42,224) (42,442)	719 37,478 (98) 36,857 36,759 (98) 37,576 37,478
Total other comprehensive income/(expense) for the year, net of tax Total comprehensive income for the year Profit/(Loss) is attributable to: Minority interests Equity holders of the company Total Comprehensive Income for the year is attributable to: Minority interests Equity holders of the company		(218) (42,347) (42,347) (42,565) (218) (42,224) (42,442) Cents	719 37,478 (98) 36,857 36,759 (98) 37,576 37,478 Cents 25.32
Total other comprehensive income/(expense) for the year, net of tax Total comprehensive income for the year Profit/(Loss) is attributable to: Minority interests Equity holders of the company Total Comprehensive Income for the year is attributable to: Minority interests Equity holders of the company Basic earnings per share from continuing operations Diluted earnings per share	12 12	(218) (42,347) (42,347) (42,565) (218) (42,224) (42,442) Cents -25.46 -25.46 -26.65	719 37,478 (98) 36,857 36,759 (98) 37,576 37,478 Cents 25.32 24.60 23.20
Total other comprehensive income/(expense) for the year, net of tax Total comprehensive income for the year Profit/(Loss) is attributable to: Minority interests Equity holders of the company Total Comprehensive Income for the year is attributable to: Minority interests Equity holders of the company Basic earnings per share from continuing operations Diluted earnings per share from continuing operations	12	(218) (42,347) (42,347) (42,565) (218) (42,224) (42,442) Cents -25.46 -25.46	719 37,478 (98) 36,857 36,759 (98) 37,576 37,478 Cents 25.32 24.60

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

BALANCE SHEET

AS AT 31 MARCH 2013

		Group	Group
	Note	2013	2012
		\$'000	\$'000
Current assets			
Cash and cash equivalents		11,945	10,646
Trade and other receivables	4	219,519	222,977
Inventories	5	3,564	3,100
Derivative financial instruments		-	8
Income tax		-	10,042
Total current assets		235,028	246,773
Non-current assets			
Property, plant and equipment		8,001	12,642
Intangibles		56,826	53,022
Deferred tax		30,753	5,613
Total non-current assets		95,580	71,277
Total assets		330,608	318,050
Occurrent limbilities			
Current liabilities	7	170 (50	100.040
Trade and other payables	7 8	178,652	180,040
Borrowings Income tax	8	64,941 62	6,063 185
Provisions		8,387	6,494
Total current liabilities		252,042	192,782
Total our on masimios		202,012	.02,.02
Non-current liabilities			
Borrowings	8	247	979
Provisions		2,281	1,911
Total non-current liabilities		2,528	2,890
Total liabilities		254,570	195,672
Net assets		76,038	122,378
Emilia			
Equity Contributed equity	9	264,065	264,065
Reserves	10	(222,840)	(223,832)
Retained profits	11	35,126	82,240
Parent entity interest		76,351	122,473
Minority interest		(313)	(95)
Total equity		76,038	122,378
		,	,

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2013

(Contributed Equity	Reserves	Retained profits	Parent interest	Minority Interest	Total equity
Group	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance 1 April 2012	264,065	(223,832)	82,240	122,473	(95)	122,378
Profit for the year	-	-	(42,347)	(42,347)	(218)	(42,565)
Other comprehensive income/(expense) for the year	ne -	123	-	123	-	123
Total comprehensive income/(expense) for the year		123	(42,347)	(42,224)	(218)	(42,442)
Transactions with owners in their capacias owners	ty					
Dividends paid	-	-	(4,767)	(4,767)	-	(4,767)
Share purchases to satist vested sales bonus right		-	-	-	-	-
Transfers between reserves	-	-	-	-	-	-
Share-based payments	-	869	-	869	-	869
Balance 31 March 2013	264,065	(222,840)	35,126	76,351	(313)	76,038

The above statement of changes in equity should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2013 (continued)

	Contributed Equity	Reserves	Retained profits	Parent interest	Minority Interest	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group						
Balance 1 April 2011	264,065	(224,100)	49,907	89,872	3	89,875
Profit for the year	-	-	36,857	36,857	(98)	36,759
Other comprehensive income/(expense) for the year	-	719	-	719	-	719
Total comprehensive income/(expense) for the year	-	719	36,857	37,576	(98)	37,478
Transactions with owners in their capac as owners	rity					
Dividends paid	-	-	(5,561)	(5,561)	-	(5,561)
Share purchases to sati vested sales bonus righ		(53)	-	(53)	-	(53)
Transfers between reserves	-	(1,037)	1,037	-	-	-
Share-based payments	-	639	_	639	-	639
Balance 31 March 2012	264,065	(223,832)	82,240	122,473	(95)	122,378

The above statement of changes in equity should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2013

		Group	Group
	Note	2013	2012
		\$'000	\$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)			
		1,033,199	948,785
Payments to suppliers (inclusive of GST)		(1,085,712)	(935,954)
		(52,513)	12,831
Interest received		1,830	155
Other revenue		919	855
Interest and other finance costs paid		(3,904)	(3,091)
Income taxes refunded/(paid)		9,545	1,853
Net cash inflow/(outflow) from operating activities		(44,123)	12,603
Cash flows from investing activities			
Payments for property, plant and equipment		(7,038)	(10,447)
Proceeds from sale of property, plant and equipment		215	604
Proceeds from sale of businesses		-	59
Net cash inflow/(outflow) from investing activities		(6,823)	(9,784)
Cash flows from financing activities			
Payment of dividends		(4,767)	(5,561)
Payments for shares acquired by Norfolk Employee Share		(4,707)	(3,301)
Trust to satisfy vested sales bonus rights		_	(53)
Proceeds from / (repayment) of borrowings		57,472	(10,893)
Repayment of finance lease liabilities		(505)	(933)
Net cash inflow/(outflow) from financing activities		52,200	(17,440)
Not in an analysis and and and animalist		1 254	(14.621)
Net increase/(decrease) in cash and cash equivalents		1,254	(14,621)
Effect of exchange rate changes on cash and cash		45	198
equivalents Cash and cash equivalents at the beginning of the financial		43	198
period		10,646	25,069
Cash and cash equivalents at the end of the		10,040	25,007
financial period		11,945	10,646
Illianian partas		11,0-10	10,040

The above cash flow statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2013

Note 1. Basis of Preparation

This report is based on the consolidated financial statements of Norfolk Group Limited and its subsidiaries for the year ended 31 March 2013. These financial statements are in the process of being audited.

This report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

The principle accounting policies adopted in the preparation of this report are consistent with those disclosed in the Financial Report of Norfolk Group Limited and its subsidiaries for the year ended 31 March 2013.

(a) Going concern

The Group has reported a loss for the year ended 31 March 2013 of \$42.6m and has a deficit of net current assets of \$17.0m as at 31 March 2013. The loss reported by the Group was driven by the impairment of unbilled contract costs related to certain projects and restructuring costs.

The Group has external net debt of \$53.2m compared to nil at the prior year end. The increase in the Group's debt and its financial performance during FY13 resulted in the Group breaching certain financial covenants applicable to the Group's financing facility. The breaches occurred at the end of December 2012 and at the end of each of January, February, March and April 2013. The financiers waived the breaches as at the end of December 2012 and January 2013 however the breaches at the end of each of February, March and April 2013 have not been waived. The effect of the unwaived breaches provides the financiers the right to demand repayment of some or all amounts owing to them under the facilities. There has been no demand for repayment by the financiers as at the date of this report.

On 12 April 2013, Norfolk announced that it had entered into a Scheme Implementation Deed (SID) with RCR Tomlinson Limited (RCR) under which it is proposed that RCR (through its wholly owned subsidiary, RCR infrastructure Pty Ltd) will acquire all of the issued shares in Norfolk for a cash consideration of \$0.48 cash per Norfolk Share (the Scheme). The Scheme implies an equity value for Norfolk of approximately \$77.9 million on a fully diluted basis. RCR has indicated its intention to fund the assumption of Norfolk debt from committed financing facilities

On 14 May 2013 ODG Haden Construction Pty Ltd and ODG Maintenance Pty Ltd (both wholly owned subsidiaries of Norfolk) (ODG Entities) and RCR Corporate Pty Ltd (a wholly owned subsidiary of RCR) entered into a loan agreement under which RCR Corporate Pty Ltd agreed to make available to ODG Entities a cash advance facility of \$10.25 million (the RCR Loan). The proceeds of the RCR Loan are to be used for the sole purpose of meeting ODG Entities payment obligations in respect of employee wages, superannuation contributions, and payments in respect of certain employee entitlements.

The RCR Loan is repayable on the earlier of:

- 30 September 2013;
- the date the Scheme Implementation Deed is terminated, or the Scheme is withdrawn or it becomes apparent to RCR that the Scheme will not proceed for any reason; and
- 2 days' written notice from RCR.

In addition, if the financiers provide notice of a required repayment of some or all amounts owing to them under the Group's financing facility, this will constitute an event of default under the RCR Loan agreement and all amounts owing under the RCR Loan will become immediately repayable.

At the date of this report, the Directors are of the opinion that there are reasonable grounds to expect that the economic entity's operational and financial performance will significantly improve and that the economic entity will be able to continue as a going concern. As such the financial report is prepared on a going concern basis.

In arriving at this conclusion, the Directors gave due regard to the signing of the SID and the status of the Scheme. However, if the Scheme were not to be approved by shareholders, then Norfolk and ODG Entities will be required to repay all amounts owing by it under the RCR Loan. In those circumstances, it is likely that Norfolk will need to

refinance at least approximately \$10.25 million (to repay the RCR Loan), and potentially all amounts owing under the Senior Facilities.

If Norfolk was required to repay amounts owing by it under the Group's financing facility or the RCR Loan (or both), Norfolk would seek to raise the necessary funding through a combination of one or more of new debt financing arrangements, an equity capital raising, asset disposals or the settlement of outstanding claims with customers.

The Directors also expect a significant improvement in the operational and financial performance of the Group in the year ending 31 March 2014. In arriving at this view, the Directors had regard to the current level of Work In Progress, the order book and the current level of tendering activity, together with the reduced operating cost base resulting from the restructure and amalgamation of brands to create ODG HADEN. On this basis, the directors also consider that recovery of the net deferred tax asset recognised of \$30.8m is probable.

While the Directors consider that the status of the Scheme, each of the above funding alternatives (or a combination of one or more of them) and the anticipated improvement in financial performance together constitute reasonable grounds for concluding that the Group remains a going concern, there is material uncertainty that may cast significant doubt on the consolidated entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report. The audit opinion that will accompany the annual report is expected to include emphasis of matter paragraph relating to the going concern assumption and recognition of the net deferred tax assets above.

Note 2. Segment information – continuing operations

2013	O'Donnell Griffin	Haden	Resolve	Corporate Services	Intersegment eliminations/ unallocated	Total continuing operations
2013	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Sales to external customers	603,476	263,899	68,378	-	-	935,753
Intersegment sales	6,234	5,085	758	-	(12,077)	-
Other revenue	574	135	2	2,038	-	2,749
Total revenue	610,284	269,119	69,138	2,038	(12,077)	938,502
Other income	-	-	-	-	-	-
Total segment revenue	610,284	269,119	69,138	2,038	(12,077)	938,502
Segment result	(49,665)	(430)	3,500	(11,356)	-	(57,951)
Impairment of goodwill	-	-	-	-	-	-
Total segment result	(49,665)	(430)	3,500	(11,356)	-	(57,951)
Finance costs (net)						(3,132)
Profit before income tax						
expense						(61,083)
Income tax credit						20,411
Profit after income tax						
expense						40,672
Segment assets						
Total assets	152,377	90,077	16,574	391,137	(319,557)	330,608
Segment liabilities Total liabilities	152,643	41,506	12,801	61,219	(13,599)	254,570
Depreciation and amortisation	,	,	,	,	(,)	,
expense	4,508	711	215	2,654	-	8,088

The segment reporting reflects the segment reporting of the Group for the financial year 31 March 2013. From 1 April 2013 the segment reporting for the Group will be presented as Construction, Maintenance, Resolve and Corporate Services.

Note 2. Segment information – continuing operations (continued)

2012	O'Donnell Griffin	Haden	Resolve	Corporate Services	Intersegment eliminations/ unallocated	Total continuing operations
2012	\$'000	\$,000	\$'000	\$'000	\$,000	\$,000
Sales to external customers	579,180	244,287	73,810	-	-	897,277
Intersegment sales	4,058	205	669	-	(4,932)	-
Other revenue	605	275	2	128	-	1,010
Total revenue	583,843	244,767	74,481	128	(4,932)	898,287
Other income	186	51	24	1	-	262
Total segment revenue	584,029	244,818	74,505	129	(4,932)	898,549
Segment result Impairment of goodwill	31,264	4,319	6,506	(10,087)	-	32,002
Total segment result Finance costs (net)	31,264	4,319	6,506	(10,087)	-	32,002 (4,046)
Profit before income tax expense Income tax expense						27,956 12,179
Profit after income tax expense						40,135
Segment assets Total assets Segment liabilities	174,227	90,949	21,757	384,728	(353,611)	318,050
Total liabilities Depreciation and amortisation	153,928	56,187	13,706	22,867	(51,016)	195,672
expense	4,122	1,039	231	1,605	-	6,997

The consolidated entity has chosen to organise the entity around differences in products and services and the reportable segments above have been identified as they each represent a component of the entity that engages in business activities from which they earn revenues or incur expenses. In addition, discrete financial information is available for each segment above and their operating results are regularly reviewed by senior management to assess performance and make resource allocation decisions.

Geographical segment

The consolidated entity operates in three geographical segments: Australia, New Zealand and Other.

	Revenue 2013	Segment non current assets 2013
	\$'000	\$'000
Australia	878,590	85,130
New Zealand	57,579	10,442
Other	2,333	8
	938,502	95,580

	Revenue 2012	Segment non current assets 2012
	\$'000	\$'000
Australia New Zealand	837,438 58,695	61,429 9,763
Other	2,154 898,287	71,277
		· · · · · ·
Note 3. Revenue		
	Group 2013	Group 2012
	\$'000	\$'000
From continuing operations		
Sales revenue	935,753	897,277
Interest received	1,830	155
Other revenue	919	855
Revenue from continuing operations	938,502	898,287
Note 4. Current assets – trade and other receivables		
	Group 2013	Group 2012
	\$'000	\$'000
Trade receivables Less: Provision for impairment of receivables	126,094 (2,165)	119,086 (1,391)
Less. I Tovision for impairment of receivables	123,929	117,695
Other receivables	2,154	2,457
Unbilled contract works	88,127 5,200	98,615
Prepayments	5,309 219,519	4,210
	219,519	222,977

Bad and doubtful trade receivables

The consolidated entity has recognised a loss of \$451,000 (2012: \$696,000 loss) in respect of bad and doubtful trade receivables during the year ended 31 March 2013. The loss has been included in 'administrative expenses' in the statement of comprehensive income.

Note 5. Current assets - inventories

	3,564	3,100
Less: Provision for obsolescence	(1,181)	(1,045)
Finished goods – at cost	4,745	4,145
	\$'000	\$'000
	Group 2013	Group 2012

Write downs of inventory to net realisable value recognised as an expense during the year ended 31 March 2013 amounted to \$210,000 (2012: \$97,000).

Contracts in progress is made up as follows:		
Contracts in progress is made up as follows.	Group 2013	Group 2012
	\$'000	\$'000
Contract costs incurred plus recognised profits less recognised losses	912,077	669,833
Less: Progress billings	(840,035)	(594,365)
	72,042	75,468
Contract work billed in advance	(16,085)	(23,147)
Unbilled contract works	88,127	98,615
	72,042	75,468
Note 6. Net Assets backing		
	Group	Group
	2013	2012
	Cents	Cents
Net tangible asset backing per ordinary security	12.09	48.02
Net asset backing per ordinary security	47.86	77.02
Note 7. Current liabilities – trade and other payables		
	Group	Group
	2013	2012
	\$'000	\$'000
Trade Payables	87,592	95,287
Contract work billed in advance	16,085	23,147
Employee benefits	33,450	30,005
Other payables	41,525	31,601
	178,652	180,040
Note 8. Borrowings		
	Group	Group
	2013	2012
	\$'000	\$'000
Bank loans	63,968	5,018
Facility costs	(1,072)	(773)
Lease liabilities	2,045	1,818
Other borrowings Total borrowings - current	64,941	6,063
Total borrownigs - current	04,341	0,003
Bank loans	-	-
Facility costs	-	-
Lease liabilities	247	979
Total borrowings - non current	247	979

The Australian and New Zealand entities within the Group are jointly and severally liable for the above facilities and the facilities are secured by charges on the assets of the Australian and New Zealand entities within the Group.

Note 9. Equity – contributed

	20	oup 013 ares	Group 2013 \$'000	Group 2012 Shares	Group 2012 \$'000
Ordinary shares – fully paid	158,89	90,730	264,065	158,890,730	264,065
Note 10. Equity – reserves					
				Group	Group
				2013	2012
				\$'000	\$'000
Foreign currency reserve Share-based payments reserve				(255) 1,608	(378) 739
Common control reserve				(224,193)	(224,193)
			_	(222,840)	(223,832)
	Foreign Currency \$'000	Share Base Payments \$'000	U	ve Control	Group \$'000
Balance at 1 April 2012	(378)	73	39	- (224,193	
Currency translation differences Changes in fair value of cash flow hedges	123		-	-	- 123
Tax effect of changes in the fair	-		-	-	
value of cash flow hedges Share based payments	_	86	59	_	- 869
Transfer to retained profits	-		-	-	
Share purchases to satisfy vested sales bonus rights	-		-	-	
At 31 March 2013	(255)	1,60)8	- (224,193) (222,840)
Balance at 1 April 2011 Currency translation differences	(1,047) 669	1,19	90 (50) (224,193) (224,100) - 669
Changes in fair value of cash flow hedges	-		- 71	- 1	- 71
Tax effect of changes in the fair value of cash flow hedges	-		- (21))	- (21)
Share based payments Transfer to retained profits	-	6 (1,03	3)	-	- 639 - (1,037)
Share purchases to satisfy vested sales	-			-	- (1,037)
bonus rights At 31 March 2012	(378)	7	39	- (224,193) (223,832)

Note 11. Equity – retained profits

Basic earnings per share Diluted earnings per share

	Group 2013	Group 2012
	\$'000	\$'000
Retained profits at the beginning of the financial year	82,240	49,907
Profit/(loss) after income tax (expense)/benefit	(42,347)	36,857
Dividends paid	(4,767)	(5,561)
Transfers from Share Based Payment Reserve	-	1,037
Retained profits at the end of the financial year	35,126	82,240
Note 12. Earnings per share		
	Group	Group
	2013	2012
	\$'000	\$'000
Profit/(Loss) from continuing operations	(40,672)	40.135
Profit/(Loss) from continuing operations attributable to minority interests	218	98
Profit from continuing operations attributable to members of Norfolk Group Limited used in calculating earnings per share	(40,454)	40,233
Profit/(Loss) from discontinued operations	(1,893)	(3,376)
Profit attributable to members of Norfolk Group Limited used in calculating		
earnings per share	(42,347)	36,857
Weighted average number of ordinary shares used in calculating basic earnings per share	158,890,730	158,890,730
Adjustments for calculation of diluted earnings per share:		
Options	3,349,951	4,648,399
Weighted average number of ordinary shares used in calculating diluted earnings per share	162,240,681	163,539,129
	Cents	Cents
Basic earnings per share from continuing operations	-25.46	25.32
Diluted earnings per share from continuing operations	-25.46	24.60

-26.65

-26.65

23.20

22.54

Note 13. Contingent liabilities

	Group 2013	Group 2011
	\$'000	\$'000
Bank guarantees	55,239	59,209
Insurance bonds	2,550	5,015
	57,789	64,224

Total bank guarantee facilities as at 31 March 2013 were \$55,348,000 (2012: \$80,000,000) and the unused portion was \$109,000 (2012: \$20,791,000). The insurance facilities as at 31 March 2013 were \$10,000,000 (2012: \$10,000,000) and the unused portion was \$7,450,000. (2012: \$4,985,000).

Note 14. Events occurring after balance date

On 12 April 2013 Norfolk Group Limited entered into a Scheme Implementation Deed with RCR Tomlinson Limited (RCR) under which it is proposed that RCR through its wholly owned subsidiary, RCR infrastructure Ltd will acquire all of the issued shares in Norfolk for cash consideration of \$0.48 per share. It is anticipated that the shareholder meeting to approve the proposed Scheme will take place on 17 July 2013.

On 14 May 2013 ODG Haden Construction Pty Ltd and ODG Maintenance Pty Ltd (both wholly owned subsidiaries of Norfolk) (ODG Entities) and RCR Corporate Pty Ltd (a wholly owned subsidiary of RCR) entered into a loan agreement under which RCR Corporate Pty Ltd agreed to make available to the ODG Entities a cash advance facility of \$10.25 million (the RCR Loan). The proceeds of the RCR Loan are to be used for the sole purpose of meeting the ODG Entities' payment obligations in respect of employee wages, superannuation contributions, and payments in respect of certain employee entitlements. Although the RCR Loan is unsecured, under section 560 of the Corporations Act all amounts advanced under the RCR Loan are afforded the same right of priority in the event of a winding up of the ODG Entities as the employees would have had if the amounts used to pay them out of the RCR Loan proceeds had not been paid.

No other matter or circumstance has arisen since 31 March 2013 that has significantly affected, or may significantly, affect the consolidated entity's operations in future financial years, the results of those operations in future financial years, or the consolidated entity's state of affairs in future financial years.

Note 15. Reconciliation of earnings before interest and tax from continuing operations

	Group
	2013
	\$'000
Profit/(Loss) before income tax	(62,976)
Finance costs	5,083
Interest received	(1,830)
Earnings before interest and tax	(59,723)
EBIT Loss from discontinued operations	1,772
Earnings before interest and tax from continuing operations	(57,951)