

29 November 2010

Company Announcements Office  
ASX Limited

Dear Sir / Madam

**Chairman's and Managing Director's Addresses to AGM**

The attached Chairman's Address and Managing Director's Address will be delivered to the Annual General Meeting of Nomad Building Solutions Limited today.

**Signed for and on behalf of Nomad by:**



Mr Paul Depiazzi  
Company Secretary

Tel: (08) 9217 2317

Nomad is a leading provider of integrated manufacturing, construction and property development solutions, particularly in regional and remote areas of Australia. It specialises in modular, factory built buildings.

**Chairman's Address**  
**Nomad Building Solutions Limited**  
Annual General Meeting  
9.00am Monday, 29 November 2010

**2010 Financial Year Overview**

As reported in the 2010 Annual Report, Nomad Building Solutions Limited's performance was very disappointing from both a Company and shareholder perspective.

Net Profit After Tax, but before asset impairment charges, fell from a profit in 2009 of \$20.1million to a loss of \$10.7 million in 2010; revenue in 2010 was \$223.2 million, down from \$415.3 million in 2009.

While external factors such as the Global Financial Crisis significantly impacted on winning new work at acceptable margins during 2010, the poor execution of a number of contracts in Nomad's modular building business (awarded in the 2009 financial year), the inadequacy of systems and management practices in key areas of operations and generally lower overall profit margins, also contributed to the Company's unsatisfactory performance.

As result of the Company's unsatisfactory financial performance, the Directors have not declared a dividend for 2010 and the dividend reinvestment plan has been suspended until further notice. The Directors intend to return to a dividend payout ratio of around 50% when it is considered prudent to do so.

It should be noted that whilst these results are disappointing, the Company has identified the major deficiencies in its management, contracting, project management and project delivery processes and has implemented management changes and turn-around projects to address these deficiencies. These will be dealt with in more detail by the Managing Director in his address.

During the year under review, the composition of the Board of Directors changed considerably in January 2010 with the resignation of Wayne McGrath as an Executive Director and the resignation of Alan Thomas as Managing Director of Nomad Building Solutions Limited. At that time Alan Thomas became the Executive Director responsible for the Rapley Wilkinson division and I was appointed as Chief Executive and executive Chairman, whilst the Company undertook to recruit and appoint a new Managing Director.

In July 2010, following an extensive executive search, the Company was extremely fortunate to obtain the services of Mr. Michael Bourke as Managing Director of Nomad Building Solution Limited. Michael is well qualified for the position with degrees in chemical engineering and economics, and also has extensive experience in managing and delivering large-scale infrastructure projects in remote areas through out Australia and internationally. He has also led company-wide cost reduction and margin improvement projects for international mining companies such as Western Mining Corporation and Iluka Resources Limited.

With the appointment of Michael, I reverted to my previous role as Non-Executive Chairman and shortly thereafter Mr. Alan Thomas stood down from the Board and resigned from the Company.

As previously advised to shareholders, I have decided to retire from the Board at the completion of today's meeting.

## **2011 Outlook**

Turning to the outlook for 2011 and beyond, I am pleased to advise that over the past two months significant progress has been made in enhancing the Company's financial standing.

As you may also be aware from recent ASX announcements, the Company has successfully completed an institutional placement which resulted in 20,420,486 fully paid ordinary shares being issued at 12 cents per share and raised \$2.45 million, before costs of the issue.

The Company has also commenced a pro-rata non-renounceable entitlement offer of 118,919,867 new shares on the basis of 3 new shares for every 4 shares held at an issue price of 10 cents per new share, which is expected to raise a further \$11.9 million, before costs.

On behalf of Directors, I urge all eligible shareholders to read the entitlement offer prospectus carefully and seek advice from their professional advisers if you have any questions. Please note that the offer is scheduled to close on Thursday, 9 December 2010.

While not directly related, the offer and placement follow the formal renewal of the Company's banking facility with Westpac through until 29 July 2011. Together these initiatives provide the financial flexibility to enable the Company to continue to develop and supply high-quality and innovative products to meet a wide-range of customer requirements in remote and regional areas.

With regards to the outlook for the Company, the Board believes that the infrastructure and accommodation requirements of regional Australia, particularly Western Australia and Queensland, will continue to underpin demand for factory manufactured modular buildings and traditional construction works.

While further competition is anticipated in some areas, especially from imported camp accommodation with Australia's current strong currency, the Company considers it is well placed to respond in terms of its market position, product suite and the location of its key manufacturing locations. The recent changes to management together with the benefits from the turn-around projects and other initiatives will help improve the overall competitiveness and profitability of the businesses.

As mentioned earlier, following the completion of today's meeting, the composition of the Company's Board will change as follows:

- David Craig will join the Board as a Non-Executive Director [and Chair of the Audit Committee]. David is an experienced businessman and lawyer and is currently Chairman of Moly Mines Limited and a Non-Executive Director of Southern Hemisphere Mining Limited;
- Peter Abery, currently a Non-Executive Director has been elected by Directors to the position Non-Executive Chairman.

In addition to these changes, Peter Slaughter has confirmed his intention to retire as a Non-Executive Director, subject to the completion of the entitlement offer being undertaken by the Company.

The Board also intends to recruit two new Non-Executive Directors to join Peter Abery and David Craig as Non-Executive Directors. Thereafter, the Board will comprise of four Non-Executive Directors and the Managing Director.

I would like to take this opportunity to thank my fellow Directors and all of the Company's employees for their efforts during 2010, in very challenging circumstances.

Also I would like to congratulate Mr Peter Abery on becoming the new Non-Executive Chairman of the Company

I will now invite Michael Bourke to deliver his Managing Director's address.

**Rick Blair**  
Chairman

**Managing Director's Address**  
**Nomad Building Solutions Limited**  
Annual General Meeting  
9.00am Monday, 29 November 2010

Thank you Mr Chairman and thank you ladies and gentlemen for your attendance.

I do not intend to dwell too much on the difficult trading conditions experienced in the 2010 financial year or the Company's disappointing financial performance, as these issues have already been addressed by the Chairman.

Since joining the Company in July, I have spent a considerable amount of time and effort in assessing the Company's strengths and weaknesses and pursuing the completion of the turn-around projects, most of which were put in place prior to my arrival.

Some of the key attractions in accepting the role as Managing Director of Nomad Building Solutions Limited were the Company's strong market position in regional areas, its innovative and extensive range of products and services and last, but by no means least, having key manufacturing operations located in the two main growth regions of Australia, namely Western Australia and Queensland.

Despite the difficulties experienced over the past 18 months, I am pleased to advise that having had the opportunity to review all aspects of Nomad's operations, I can confirm that the Company's fundamental strengths remain in place and provide the platform to enable us to significantly improve our financial performance in the future.

As stated by the Chairman, the Company's disappointing performance in 2010 was in part due to the global financial crisis and the associated trading conditions. However, the adverse impact of these issues was amplified by a range of inadequate internal processes, systems and management practices. To a large extent, the Company's internal processes and systems were put in place prior to Nomad's growth between 2007 and 2009 and had not been updated to reflect the changes within the Company's operations or an increasingly competitive market place.

More recently, good progress has been made on management changes and most aspects of the turn-around projects, which are focused on improving company-wide processes such as procurement, marketing functions, internal controls and management systems as well as overall competitiveness. As part of this approach, we have rationalised the number of manufacturing sites and facilities in both Western Australia and Queensland. We are also carrying out a review of the Company's under performing "side" businesses and will be in a position to make the necessary decisions prior to Christmas.

The turn-around projects and associated work are delivering the expected benefits in most areas of the Company's operations and it will continue to be the priority over the next twelve months.

One of the key challenges over the past 12 months has been the delivery of the kitchens, dining rooms and other buildings for Chevron's Gorgon Liquefied Natural Gas project on Barrow Island.

The project complexity is high for modular construction buildings, which together with the various compliance requirements, the custom nature of the product and poor project management, impacted upon productivity during the first phase of construction and design .

The project team has since responded well to these challenges. The Company's processes and productivity levels have been significantly improved and we are producing a quality product. We expect the project will be completed as originally planned by the end of 2010.

The lessons learnt from this project in terms of project management, contract administration and front-end design process are invaluable and are being incorporated into other areas of the Company's operations.

Unfortunately, there is one key element of the turn-around projects, the Enterprise Resource Planning (ERP) computer system being installed in Nomad Modular, which has not yet delivered the expected benefits from the first stage of implementation in the modular building division. The Company is still in discussions with the supplier, Epicor, concerning modifications required to enable the system to deliver improved information and cost control measures, as originally planned.

Turning to the outlook for the 2011 financial year and beyond, the Company's focus will be to maintain its share of a growing market for its products and services, by supplying high-quality and innovative products to meet customer requirements in a safe, timely and profitable manner.

As previously mentioned the turn-around projects and management changes are delivering benefits. The Company has cleared out the majority of difficult projects and is in control of its future work program. The rebuilding of the order book is well under way with over \$100 million of bids in place at present.

As you are undoubtedly aware, the resources development sector in Western Australia and Queensland remains our largest market for modular buildings and houses supplied through Nomad Modular, McGrath Homes and Halley Homes.

This sector is experiencing unparalleled growth in Western Australia, particularly in the areas of iron ore mining and liquefied natural gas production in the north-west of WA.

The Western Australian Government (as reported in the November issue of Prospect Magazine) estimates that WA has more than \$150 billion of new mining or petroleum projects in regional areas, either committed or currently under consideration. Furthermore, these projects are expected to create more than 45,000 new construction jobs and more than 10,000 new permanent jobs once the projects are operating.

Queensland is in a similar position with respect to the development of onshore liquefied natural gas projects, which are based on coal seam gas deposits. Already two projects have received the necessary environmental approvals and one project (BG Group's Queensland Curtis LNG project with gas fields located in southern and central Queensland) has committed to invest approximately US\$15 billion over the next four years to develop the gas fields, processing plant, pipelines and associated facilities.

Whilst the development of large-scale coal seam gas projects in regional Queensland is a relatively new business, the Australian Petroleum Producers and Explorer's Association (APPEA) estimates that Queensland's coal seam gas industry has the potential to attract approximately \$40 billion in new investment and generate approximately 18,000 new jobs.

In addition to the housing and camp requirements for new resources development projects in Western Australia and Queensland, both Government (State and Commonwealth) and the private sector will also need to invest in additional infrastructure projects and services in remote regions, to service the expected population growth and demand for services associated with new projects.

This will provide the Company with further opportunities to benefit from resources development projects, particularly with respect to Rapley Wilkinson's expertise and market position in north-west Western Australia.

Whilst the construction of infrastructure and accommodation projects in regional and remote areas often involves considerable challenges and is becoming increasingly competitive, I believe the Company is now much better placed now to capitalise on emerging opportunities, compared to the situation 2-3 years ago.

With respect to potential further competition from imported camp accommodation in response to the current strength of the Australian dollar, I wish to advise that the Company is closely monitoring this situation and is currently evaluating two options to address this issue.

I would like to take this opportunity to thank the Chairman and Directors for their encouragement and support since my appointment in July.

Mr. Chairman that concludes my address.

**Michael Bourke**  
Managing Director