nomad

building solutions limited

ABN 52 117 371 418

HALF YEAR FINANCIAL REPORT

31 DECEMBER 2009

ASX HALF-YEAR INFORMATION – 31 DECEMBER 2009

Appendix 4D – Lodged with ASX under listing rule 4.2A

This information should be read in conjunction with the 30 June 2009 Annual Report of Nomad Building Solutions Limited.

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NOMAD BUILDING SOLUTIONS LIMITED

ABN 52 117 371 418

HALF-YEAR ENDED 31 DECEMBER 2009

APPENDIX 4D

Results for Announcement to the Market

23 February 2010

	$'000
Revenue from continuing operations down 60% to	94,464
Profit/(loss) for the half-year down 493% to	(5,208)
Profit/(loss) attributable to members of Nomad Building Solutions Limited down 493% to	(5,208)

Dividends	Amount per security	Franked amount per security
Interim dividend	Nil	Nil
Previous corresponding period	2.0 cents	2.0 cents

Payment date of dividend	N/A
Record date for determining entitlements to the dividend	N/A
Date of receipt of Dividend Reinvestment Plan notices	N/A

HALF-YEAR FINANCIAL STATEMENTS

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2009 and any public announcements made by Nomad Building Solutions Limited during the interim period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2009

Directors' Report

Your directors present their report on the consolidated entity consisting of Nomad Building Solutions Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2009.

Directors

The names of persons who were directors of Nomad Building Solutions Limited during the whole of the half-year and up to the date of this report are:

Richard Lennox Blair – Executive Chairman (appointed as Executive Chairman on 12 January 2010)
Alan John Thomas – Executive Director (resigned from Managing Director on 12 January 2010)
Peter John Slaughter – Non-executive Director
Peter Graham Abery – Non-executive Director

Wayne James McGrath resigned as a Director on 12 January 2010.

Review of Operations

A summary of the consolidated revenues and results is set out below:

	2009 $'000	2008 $'000
Revenue	94,464	234,471
Other	316	97
Total revenue	94,780	234,568
Profit/(Loss) before income tax (before unusual items)	(7,473)	11,148
Impairment of goodwill	-	(6,852)
Profit/(Loss) before income tax	(7,473)	4,296
Income tax benefit/ (expense)	2,265	(2,970)
Net profit/)loss) attributable to members of Nomad Building Solutions Limited	(5,208)	1,326

HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2009

Directors' Report
Cont'd…

Comments on the operations and the results of those operations are set out below:
Nomad Building Solutions Limited reports a net loss after tax of $5.2 million for the half-year ended 31 December 2009 representing a reduction of 493% over the previous corresponding period. Total revenue for the half-year decreased by 60% to $94 million.

Result
The trading result for the half-year, excluding impairment of goodwill, is summarised as follows:

	Half-year ended 31 December 2009		Half-year ended 31 December 2008		Increase / (Decrease)	
	$m	% of Revenue	$m	% of Revenue	$m	%
Revenue	94.4	-	234.5	-	(140.1)	(60)
EBITDA	(1.1)	(1.2)	18.0	7.7	(19.1)	(106)
EBIT/(Loss)	(5.8)	(6.1)	13.0	5.5	(18.8)	(145)
Net profit/(loss) after tax	(5.2)	(5.5)	1.3	0.6	(6.5)	(493)
Earnings per share (basic)	(3.8)c		6.0c		(9.8)c	(163)

Comments on the performance of the key divisions of the Group for the half-year are as follows:

Review of Operations

Trading conditions for Nomad were difficult in the 6 months ended 31 December 2009. Activity levels were low and the sectors Nomad operates in experienced lower profit margins due to competitive pressures.

Nomad's results for the 6 month period were impacted by:
- the level of work undertaken across the Group being less than anticipated following the impact of Global Financial Crisis; and
- additional costs to complete the installation phase of accommodation contracts for remote resource projects won in previous financial years. The last of these contracts is now reaching completion.

The impact of cost overruns in the installation phase of these contracts is reported in the Constructions segment result.

Despite the reported loss, Nomad reported positive cash flow from operating activities of $3.6 million during the period.

In December 2009, Nomad sold and leased back a recently developed manufacturing facility for the McGrath Homes operations in Wangara, WA for its book value of $6.7 million.

Net borrowings reduced by $4.3 million in the six months to $23.0 million, giving a net debt to equity ratio of 20.1% at 31 December 2009. Total borrowings at 31 December 2009 were $24.5 million.

Directors' Report
cont'd

A replacement Enterprise Resource Planning (ERP) computer system was implemented into the Nomad Modular Building division at the end of the financial period and will be rolled out to the other business units in the coming 12 months. This system is expected to improve information flow, improve cost control, and, assist management decision-making over the coming months.

The group acquired the business of Residential Truss Systems effective 1 October 2009 for $1.5 million. This acquisition will reduce manufacturing costs through vertical integration in the Transportables segment.

Nomad's bank facilities are due for renewal on 12 April 2010. The Company is currently working through the bank's review process to effect the renewal. Given the April renew date, all borrowings have been disclosed in the financial report as being "current". Based on discussions with the Company's bank, the directors are confident that Nomad will be able to renew its bank facilities on reasonable terms.

No interim dividend has been declared in respect of the six months ending 31 December 2009. Directors intend to recommence paying dividends as soon as circumstances allow.

On 12 January 2010, it was announced that Mr Rick Blair has commenced the role of Executive Chairman.
Other key staff changes are as follows:

- Mr Wayne McGrath resumed his role of CEO of McGrath Homes, ceasing to be the Group Operations Manager. Mr McGrath has also resigned from the board.
- Mr Alan Thomas moving to CEO Rapley Wilkinson following the resignation of Mr Darren Staunton.
- The appointment of Mr Brett McDonald as CEO Queensland to run both Halley Homes and NMB Queensland.

Outlook

Nomad operates in a sector that is forecast to grow strongly in the next few years and the board and management are keen to position Nomad to take advantage of its strengths in regional and remote areas over this period.

Consistent with the announcement on 11 January 2010, Nomad is anticipating an improvement in trading performance in the second half of the financial year and continues to forecast a net profit after tax for the second half of approximately $3 million – giving an estimated full-year FY2010 loss of $2 million on revenue of approximately $250 million.

Nomad is expected to benefit from the implementation of a Turnaround Project (TAP) initiated by the Board. This TAP will focus on reviewing and improving processes, internal controls and competitiveness.

Further to the Company's announcement on 12 January 2010, the Board has appointed an executive recruitment firm to assist in appointing a new Managing Director for Nomad. The nature of this search means that it may be several months before an appointment is made. The Board has also initiated a search for an additional Non-Executive Director.

HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2009

Directors' Report
cont'd

Auditor's independence declaration 1(c)

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 7.

Rounding of Amounts

The Company satisfies the requirements of Class Order 98/0100 issued by the Australian Securities and Investments Commission relating to "rounding off" of amounts in the directors' report and the financial report to the nearest thousand dollars. Amounts have been rounded off in the directors' report and financial report in accordance with the Class Order.

This report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Richard Blair
Executive Chairman

PERTH
23 February 2010

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38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

23rd February 2010

Nomad Building Solutions Limited
65 Burswood Road
Burswood WA 6100

Dear Sirs

DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF NOMAD BUILDING SOLUTIONS LIMITED

As lead auditor of Nomad Building Solutions Limited for the half-year ended 31 December 2009, I declare that to the best of my knowledge and belief, there have been:

- No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

- No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Nomad Building Solutions Limited and the entities it controlled during the period.

Glyn O'Brien

Glyn O'Brien
Director

BDO

BDO Audit (WA) Pty Ltd
Perth, Western Australia

HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Comprehensive Income
For the half-year ended 31 December 2009

	Note	31 Dec 2009 $'000	31 Dec 2008 $'000
Revenue from continuing operations		94,464	234,471
Other income		316	97
Raw materials, consumables and contract labour		(75,885)	(191,790)
Employee benefits expense		(11,604)	(13,903)
Depreciation and amortisation expenses		(4,666)	(5,020)
Borrowing cost expense		(1,461)	(1,832)
Impairment of intangibles	5	-	(6,852)
Operating lease cost		(3,307)	(2,854)
Corporate and Administration expenses		(2,423)	(1,117)
Other expenses		(2,907)	(6,904)
Profit/(loss) before income tax expense		(7,473)	4,296
Income tax benefit/(expense)		2,265	(2,970)
Net profit/(loss) for the half-year		(5,208)	1,326
Total comprehensive income for the half year		(5,208)	1,326
Net profit/(loss) attributable to members of Nomad Building Solutions Limited		(5,208)	1,326
Earnings/(loss) per share for profit/(loss) attributable to the ordinary equity holders of the company			
		Cents	Cents
Basic earnings/(loss) per share	7	(3.8)	1.0
Diluted earnings/(loss) per share	7	(3.8)	1.0

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

HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Financial Position
As at 31 December 2009

	Note	31 December 2009 $'000	30 June 2009 $'000
ASSETS			
Current assets			
Cash and cash equivalents		1,505	19,161
Trade and other receivables		18,917	45,165
Current tax receivable		5,307	1,462
Inventories		17,658	15,194
Non-current assets classified as held for sale	10	4,370	-
Total current assets		47,757	80,982
Non-current assets			
Receivables		109	109
Property, plant and equipment	4	39,228	55,893
Deferred tax assets		1,257	1,427
Intangible assets	5	82,146	81,857
Total non-current assets		122,740	139,286
TOTAL ASSETS		170,497	220,268
LIABILITIES			
Current liabilities			
Trade and other payables		26,700	44,271
Deferred income		4,517	6,265
Borrowings		24,511	34,525
Provisions		3	398
Total current liabilities		55,731	84,459
Non Current Liabilities			
Borrowings		-	11,989
Deferred tax liabilities		43	65
Provisions		107	133
Total non-current liabilities		150	12,187
Total liabilities		55,881	97,646
Net assets		114,616	122,622
EQUITY			
Contributed equity	6	94,295	93,495
Reserves		34	201
Retained profits		20,287	28,926
Total equity		114,616	122,622

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2009

	Contributed Equity $'000	Option Reserve $'000	Retained Earnings $'000	Total $'000
Balance at 1 July 2008	92,119	1,173	25,795	119,087
Total comprehensive income for the half year	-	-	1,326	1,326
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	842	-	-	842
Dividends provided for or paid	-	-	(7,441)	(7,441)
Employee share options	-	(1,042)	-	(1,042)
Balance as at 31 December 2008	92,961	131	19,680	112,772
Balance at 1 July 2009	93,495	201	28,926	122,622
Total comprehensive loss for the half year	-	-	(5,208)	(5,208)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	800	-	-	800
Dividends provided for or paid	-	-	(3,431)	(3,431)
Employee share options	-	(167)	-	(167)
Balance as at 31 December 2009	94,295	34	20,287	114,616

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

HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Cash Flows
For the half-year ended 31 December 2009

	Note	Half-year 2009 $'000	2008 $'000
Cash flow from operating activities			
Receipts from customers (inclusive of GST)		132,958	271,051
Payments to suppliers and employees (inclusive of GST)		(126,238)	(239,969)
Cash generated from operations		6,720	31,082
Interest and other costs of finance paid		(1,659)	(1,832)
Income taxes (paid)		(1,468)	(8,397)
Net cash inflow/(outflow) from operating activities		3,593	20,853
Cash flow from investing activities			
Payments for property, plant and equipment		(2,375)	(22,458)
Proceeds from sale of property, plant and equipment		7,192	7
Payment for purchase of subsidiary net of cash acquired	8	(1,513)	(2,041)
Interest received		81	265
Net cash inflow/(outflow) from investing activities		3,385	(24,227)
Cash inflow from financing activities			
Proceeds from issue of shares net of issue costs		-	(3)
Net movement in secured borrowings		(14,733)	14,978
Repayment of hire purchase and lease liabilities		(7,270)	(6,188)
Dividends paid		(2,631)	(6,595)
Net cash inflow/(outflow) from financing activities		(24,634)	2,192
Net (decrease) in cash and cash equivalents		(17,656)	(1,182)
Cash and cash equivalents at beginning of period		19,161	22,188
Cash and cash equivalents at the end of the half-year	11	1,505	21,006

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Note 1. Basis of preparation of half-year financial statements

These general purpose financial statements for the interim half-year reporting period ended 31 December 2009 have been prepared in accordance with Australian Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The financial statements have been prepared on the basis that the Group continues as a going concern. The directors consider this appropriate given the forecast of profit and positive cash flows for the Group over the next 12 months, supported by the current order book and strong tender activity.

The Group's bank is currently reviewing its facilities with the Group as they are due for renewal on 12 April 2010. For this reason, all, bank borrowings have been shown as current. Indications from the bank are that the facilities will be extended. If the Group is unable to obtain the continued financial support of its bank or obtain alternative finance, it may cast uncertainty on the Group's ability to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in these financial statements.

These interim statements do not include all the notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report. Accordingly, these interim financial statements are to be read in conjunction with the annual report for the year ended 30 June 2009 and any public announcements made by Nomad Building Solutions Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below.

Change in accounting policy

Nomad Building Solutions Ltd had to change some of its accounting policies as the result of new or revised accounting standards which became operative for the annual reporting period commencing on 1 July 2009.

The affected policies and standards are:

- Principles of consolidation – revised AASB 127 Consolidated and Separate Financial Statements and changes made by AASB 2008-7 Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- Business combinations – revised AASB 3 Business Combinations
- Segments – new AASB 8 Operating Segments

Principles of consolidation

AASB 127 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses.

The standard also specifies the accounting when control is lost. Any remaining interest in the entity must now be remeasured to fair value and a gain or loss is recognised in profit or loss.

The Group will in future allocate losses to the non-controlling interest in its subsidiaries even if the accumulated losses should exceed the non-controlling interest in the subsidiary's equity.

HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

Notes to the financial statements
For the half-year ended 31 December 2009

Note. 1 cont...

The changes were implemented prospectively from 1 July 2009. There has been no impact on the current period as the group has no non-controlling interests. There have also been no transactions whereby an interest in an entity is retained after the loss of control of that entity, no transactions with non-controlling interests and no dividends paid out of pre-acquisition profits.

Business combinations

AASB 3 (revised) continues to apply the acquisition method to business combinations, but with some significant changes.

All payments to purchase a business are now recorded at fair value at the acquisition date, with contingent payments classified as debt and subsequently remeasured through the income statement. Under the Group's previous policy, contingent payments were only recognised when the payments were probable and could be measured reliably and were accounted for as an adjustment to the cost of acquisition.

Acquisition-related costs are expensed as incurred. Previously, they were recognised as part of the cost of acquisition and therefore included in goodwill.

Non-controlling interests in an acquiree are now recognised either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. This decision is made on an acquisition-by-acquisition basis. Under the previous policy, the non-controlling interest was always recognised at its share of the acquiree's net assets.

If the Group recognises acquired deferred tax assets after the initial acquisition accounting there will no longer be any adjustment to goodwill. As a consequence, the recognition of the deferred tax asset will increase the Group's net profit after tax.

The changes were implemented prospectively from 1 July 2009 and affected the accounting for the acquisition of Residential Truss Systems Pty Ltd disclosed in note 8. Acquisition related costs of $26,000 were recognised in the statement of comprehensive income.

Segment reporting

The Group has applied AASB 8 Operating Segments from 1 July 2009. AASB 8 requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. This has not resulted in a change to the number of segments presented, however not all entities meet the aggregation criteria for the current segments and are therefore shown under the heading of "Other".

Operating segments are now reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker has been identified as the Board.

Goodwill is allocated by management to groups of cash-generating units on a segment level. The change in reportable segments has not impacted on the allocation of goodwill between segments. There has been no further impact on the measurement of the company's assets and liabilities. Comparatives for 2008 have been restated.

Note 2. Segment information

(a) Description of business segments

Management has determined the operating segments based on the reports reviewed by the board that are used to make strategic decisions. The board currently consists of two non-Executive directors and two executive directors.

The board considers the business from product perspective and has identified 2 reporting segments. Transportables consist of all centralised manufacturing operations, including internal suppliers to the manufacturing operations. The construction division consists of all operations where the majority of the work is in situ construction.

For the six months ended 31 December:

	Transportables $'000	Construction $'000	Other $'000	Total $'000
2009				
External Sales	62,234	32,043	187	94,464
Intersegment sales	5,409	3,488	-	8,897
Segment PBT/(LBT)	2,242	(6,105)	32	(3,831)
Segment Assets (at 31 December 2009)	60,616	50,652	6,689	117,957
2008				
External Sales	199,279	34,926	-	234,205
Intersegment sales	762	2,725	-	3,487
Segment PBT/(LBT)	10,201	(5,160)	-	5,041
Segment Assets (at 30 June 2009)	167,177	51,337	1,754	220,268

The board reviews the performance of operations based on Profit/(Loss) before tax. The measure includes all revenues and costs directly attributable to the operation.

HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

Notes to the financial statements
For the half-year ended 31 December 2009

Note. 2 cont...

A reconciliation of PBT/LBT to operating profit before income tax is provided as follows:

	Half-year	
	2009 $'000	2008 $'000
Total Segment PBT/LBT	(3,831)	5,041
Inter Segment eliminations	149	2,893
Revenue not attributable to operating segments	13	-
Unallocated expenses		
- Depreciation and amortisation	(267)	(18)
- Consultants and legal expenses	(416)	(752)
- Employee benefits expense	(1,268)	(370)
- Finance costs	(832)	(492)
- Other expenses	(1,019)	(2,006)
Other	(2)	-
Operating Profit/(Loss) before income tax	(7,473)	4,296

Note 3. Dividends

	Half-year	
	2009 $'000	2008 $'000
Ordinary shares		
Dividends paid during the half-year	3,431	7,440

Dividends not recognised at the end of the half-year
No dividends have been declared since the end of the half year.

HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

Notes to the financial statements
For the half-year ended 31 December 2009

Note 4. Non-current Assets – Property, Plant & Equipment

	Hire buildings $'000	Land and Buildings $'000	Plant and Equipment $'000	Total $'000
Year ended 30 June 2009				
Opening net book amount	32,309	1,212	6,953	40,474
Additions	11,857	13,486	3,145	28,488
Acquisition of controlled entities	-	-	-	-
Disposals	(3,865)	-	(43)	(3,908)
Depreciation charge	(7,126)	(126)	(1,909)	(9,161)
Closing net book amount	33,175	14,572	8,146	55,893
At 30 June 2009				
Cost or fair value	45,308	14,732	12,193	72,233
Accumulated depreciation	(12,133)	(160)	(4,047)	(16,340)
Net book amount	33,175	14,572	8,146	55,893
Period ended 31 December 2009				
Opening net book amount	33,175	14,572	8,146	55,893
Additions	577	6	1,792	2,375
Assets classified as held for sale	(4,370)	-	-	(4,370)
Disposals	(3,338)	(6,583)	(329)	(10,250)
Depreciation charge	(2,498)	(108)	(1,814)	(4,420)
Closing net book amount	23,546	7,887	7,795	39,228
At 31 December 2009				
Cost or fair value	35,687	8,144	13,211	57,042
Accumulated depreciation	(12,141)	(257)	(5,416)	(17,814)
Net book amount	23,546	7,887	7,795	39,228

Note 5. Non-current assets – intangible assets

	Note	Goodwill $'000	Customer Contracts $'000	Customer Relation-ships $'000	Total $'000
Year to 30 June 2009					
Opening net book amount at 1 July 2008		88,414	811	363	89,588
Acquisition costs associated to acquisition of subsidiary		80	-	-	80
Provision for impairment		(6,852)	-	-	(6,852)
Amortisation charge		-	(811)	(148)	(959)
Closing net book amount at 30 June 2009		81,642	-	215	81,857
At 30 June 2009					
Cost or fair value		88,494	3,658	741	92,893
Accumulated amortisation and impairment		(6,852)	(3,658)	(526)	(11,036)
Net book amount at 30 June 2009		81,642	-	215	81,857
Period 31 December 2009					
Opening net book amount at 1 July 2009		81,642	-	215	81,857
Additions \ adjustments	8	363	173	-	536
Amortisation charge		-	(173)	(74)	(247)
Closing net book amount at 31 December 2009		82,005	-	141	82,146
At 31 December 2009					
Cost or fair value		88,857	3,831	741	93,429
Accumulated amortisation and impairment		(6,852)	(3,831)	(600)	(11,283)
Net book amount at 31 December 2009		82,005	-	141	82,146

Amortisation of $246,732 (2008: $783,156) is included in depreciation and amortisation expense in the income statement. The value of customer contracts and relationships is reduced to reflect cost contingencies, including contract, client, capital and withdrawal risks. Customer contracts are amortised over the life of the contract in the order book at the date of acquisition of the business. All contracts were complete at 31 December 2009. Customer relationships are amortised over a 5 year period to 31 December 2010.

HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

Notes to the financial statements
For the half-year ended 31 December 2009

Note. 5 cont...

(a) Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segment.

A reportable segment-level summary of the goodwill allocation is presented below:

2009	$'000
Transportables	43,902
Construction	38,103
	82,005

2008	$'000
Transportables	43,539
Construction	38,103
	81,642

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections for a five year period based on financial budgets approved by directors for the coming year. The model then extrapolates the Year 1 forecast using an estimated growth rate of 2.0% per annum for Years 2 through 5, with a final terminal value adopted. The recoverable amount is then compared with the carrying value of the assets of that unit. The reasonableness of the Year 1 forecast is critical to the validity of the model's conclusions. The forecast adopted at 31 December 2009 for the next 12 months is better than would be derived by applying twice the results for the current six month reporting period. However, directors are forecasting that the results for the next 12 months will be significantly improved on the past 6 months based on a number of factors including:

i) The current financial period was a period of low activity in the Group's markets following the global financial crisis, and included some abnormal losses on some contracts;
ii) The Group's current order book and tender activity, as well as industry commentator forecasting for improved economic conditions, supports an improvement in profitability; and
iii) Recent management changes and board initiated turnaround projects have been implemented and are expected to improve profitability and cash flows.

Directors believe that the forecasts adopted are appropriate and reasonable.
Testing for impairment of goodwill is carried out on an annual basis, or more regularly if Impairment indicators exist.

(b) Key assumptions used for value-in-use calculations

Modest growth rates have been applied for years 2 to 5. Given the volatility of the current economic climate, it is possible that market conditions and profitability could eventuate that are outside the forecasts adopted, the impact of which will continue to be monitored.

A discount rate of 14% is applied which represents an assessment of the Group's weighted average cost of capital.

Note. 5 cont...

(c) Impact of possible changes in key assumptions

The recoverable amount of the goodwill of each CGU exceeds the carrying amount of goodwill at 31 December 2009. The discount rate applied to the cash flow projections would have to be 16.5%, or the actual EBITDA achieved would have to be at least 8% below the forecasted amount for each year before the recoverable amount of goodwill would equal the carrying amount for any of the CGU's separately assessed given the assumptions noted above.

(d) Impairment charge

No impairment charge has resulted from impairment testing.

Note 6. Equity securities issued

	Half-year		Half-year	
	2009 Shares	2008 Shares	2009 $'000	2008 $'000
Issues of ordinary shares during the half-year				
Dividend Reinvestment Plan issues	834,070	538,307	801	845
Less: Transaction costs arising on share issues	-	-	-	(3)
Total movement	834,070	538,307	801	842
Total shares on issue	138,138,976	135,812,015	94,296	92,961

Note 7. Earnings per share

	Half-year	
	2009 Cents	2008 Cents
Basic earnings per share	(3.8)	1.0
Diluted earnings per share	(3.8)	1.0
	Number	Number
Weighted average number of shares used as the denominator in calculating basic earnings per share	137,613,149	135,472,648
Weighted average number of shares used as the denominator in calculating diluted earnings per share	137,613,149	138,022,049

Notes to the financial statements
For the half-year ended 31 December 2009

Note 8. Business combinations

Half Year ended 31 December 2009

During the year the Group acquired the steel framing, painting and concrete slab manufacturing assets and business of Residential Truss Systems Pty Ltd. Details of the acquisitions are set out below.

It is not practicable to disclose the revenue and the net profit of the combined entities as though the business combinations were acquired at the start of the period, as the pre-acquisition financial information remains the property of the vendors.

RTS Group

(a) Summary of acquisition

On 1 October 2009 Nomad Transportables Pty Limited, a wholly owned subsidiary of Nomad Building Solutions Limited, acquired the steel framing, painting and concrete slab manufacturing assets and business of Residential Truss Systems Pty Ltd. Nomad Transportables Pty Ltd subsequently changed its name to RTS Group Pty Ltd. The acquisition is expected to secure supply and reduce costs of key manufacturing inputs to the transportable building segment,

Details of the fair value of the assets and liabilities acquired and goodwill are as follows:

Purchase consideration (refer to (b) below):

	$'000
Cash paid	1,487
Total purchase consideration	1,487
Fair value of net identifiable assets acquired (refer to (c) below)	(1,124)
Goodwill (refer to (c) below)	363

(b) Purchase consideration

Outflow of cash to acquire subsidiary, net of cash acquired:	
Cash consideration	1,487
Outflow of cash	1,487

HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

Notes to the financial statements
For the half-year ended 31 December 2009

Note. 8 cont...

(c) Assets and liabilities acquired

The assets and liabilities arising from the acquisition are as follows:

	Acquiree's carrying amount $'000	Fair Value $'000
Customer Contracts	-	173
Property, plant and equipment	932	932
Inventory	98	98
Employee entitlements	(113)	(113)
Deferred tax assets	-	34
Net identifiable assets acquired	917	1,124

The goodwill is attributable to the systems and processes of RTS Group for cost effective production of their core products, and the expected savings expected to be achieved in the wider NBS business.

Acquisition related costs

Acquisition-related costs of $26,000 are included in the other expenses of the statement of comprehensive income.

Revenue and profit contribution

The acquired business contributed revenues of $1,514,000 and net loss of $487,000 to the Group for the period from acquisition to 31 December 2009, including customer contracts amortisation expense of $173,000, and $26,000 of acquisition related costs. Short term results have been impacted by sales margin pressure, and increased unit costs from lower production levels. The business is expected to return to profitability in the second half of the financial year as more work flows from within the group.

Cashflow information

	2009 $'000	2008 $'000
Outflow of cash to acquire business, net of cash acquired:		
Cash Consideration	1,487	-
Acquisition related costs	26	-
	1,513	-
Less: Balances Acquired:		
Cash	-	-
	-	-
Outflow of cash	1,513	-

Note 9. Contingent liabilities

The Group had no contingent liabilities at 31 December 2009 (30 June 2009: nil).

Contingent instruments
The Group had outstanding guarantees to the value of $27,891,000 (30 June 2009: $25,452,000) all of which are expected to be recovered without claim. Bank guarantees are provided in certain contracts as a percentage of the contract sum generally, two bank guarantees, each for 5% of the contract sum are provided to:

1) guarantee the performance of contractual terms until practical completion, and
2) as security for defects liability being the 12 month period from the date of practical completion.

A small number of guarantees have also been issued as bonds for leased premises.

There is no liability that should be recognised in relation to these guarantees.

Note 10. Non-current assets held for sale

Non-current assets classified as held for sale were as follows:

	31 December 2009 $'000	30 June 2009 $'000
Non-current assets held for sale:		
Hire buildings	4,370	-
	4,370	-

Following enquiries from customers, Directors have resolved to pursue the sale of some hire buildings in the coming months. Consequently, the board has decided to reclassify these buildings in the Company's consolidated statement of financial position. The book value of the hire buildings for which the Group is pursuing sales are now presented under Current Assets as 'Non-current assets classified as held for sale'.

HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

Notes to the financial statements
For the half-year ended 31 December 2009

Note 11. Reconciliation to cash at the end of the half-year

The cash at the end of the half year is reconciled to the statement of cash flows as follows:

	2009 $'000	2008 $'000
Cash and cash equivalents – current asset	1,505	21,006
Bank overdraft – borrowings – current liability	-	-
Balance per statement of cash flows	1,505	21,006

During the period, borrowings were reduced by $22,003,000 (which includes $7,270,000 of hire purchase and lease liabilities) through the application of cash on hand at 30 June 2009 and from cash flows generated from operating activities.

Note 12. Events subsequent to balance date

On 11 January 2010 the company issued profit guidance to the market advising an expected Net Loss after tax for the full year of approximately $2 million. On 12 January 2010 a number of senior staff changes were announced. Mr Alan Thomas stepped down from the position of Managing Director to take up the role of CEO Rapley Wilkinson, which was vacated by Mr Darren Staunton who left the group. Mr Rick Blair has assumed the role of Executive Chairman until a new Managing Director is recruited. Mr Wayne McGrath has resigned from the NBS board and has returned to the role of CEO McGrath Homes.

Along with recruiting a new Managing Director, the group is also seeking to recruit an additional non-executive Director.

Note 13. Rounding of amounts

The company satisfies the requirements of Class Order 98/100 issued by the Australian Securities and Investments Commission relating to "rounding off" of amounts in the directors' report and the financial report to the nearest thousand dollars. Amounts have been rounded off in the directors' report and financial report in accordance with that Class order.

HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

DECLARATION BY DIRECTORS

31 DECEMBER 2009

In the directors' opinion:

1. The financial statements, comprising the statement of comprehensive income, statement of financial position, Statement of changes in equity, statement of cash flows and accompanying notes, are in accordance with the *Corporations Act 2001*, including:

   (a) complying with Australian accounting standard AASB134:Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements ; and

   (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and

2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Richard Blair
Executive Chairman

Perth
23 February 2010

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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF NOMAD BUILDING SOLUTIONS LIMITED

Matters Relating to the Electronic Presentation of the Half-Year Financial Report

This auditor's report relates to the half-year financial report of Nomad Building Solutions Limited for the period ended 31 December 2009 included on Nomad Building Solutions Limited's web site. The disclosing entity's directors are responsible for the integrity of Nomad Building Solutions Limited's web site. We have not been engaged to report on the integrity of Nomad Building Solutions Limited's web site. The auditor's review report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this half-year report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the reviewed half-year financial report to confirm the information included in the reviewed half-year financial report presented on this web site.

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Nomad Building Solutions Limited, which comprises the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the disclosing entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Nomad Building Solutions Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* would be in the same terms if it had been given to the directors at the time that this auditor's review report was made.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Nomad Building Solutions Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and Corporations Regulations 2001.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our conclusion, we draw attention to Note 1 of the financial report which indicates that the group's banking facilities are due for renewal on 12 April 2010. If the group is unable to obtain the continued financial support of its bank or obtain alternative finance, it may cast material uncertainty on the group's ability to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

BDO Audit (WA) Pty Ltd

BDO
Glyn O'Brien

Glyn O'Brien
Director

Signed in Perth, Western Australia
Dated this 23rd day of February 2010.

Supplementary Appendix 4D Information
For the half-year ended 31 December 2009

ASSETS PER SHARE

	31 December 2009	30 June 2009	31 December 2008
	Cents	Cents	Cents
Net tangible asset backing per ordinary share	23.4	29.6	22.6
Net asset backing per ordinary share	82.9	89.3	83.0

DIVIDENDS

No dividend has been declared in respect of the current half year result.

Date the dividend is payable	N/A
Record date to determine entitlements to the dividend	N/A
Receipt of dividend reinvestment plan notices	N/A

Amount per security		Date Paid or Payable	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
Final dividend	Current	N/A	N/A	N/A	N/A
	Previous Year	N/A	N/A	N/A	N/A
Interim dividend	Current year	N/A	Nil	Nil	Nil
	Previous year	24 April 2009	2.0 cents	2.0 cents	Nil