

23 February 2010

HALF YEAR RESULTS

Nomad Building Solutions Limited and its subsidiary entities (“Nomad”) have reported a net loss after tax of \$5.2 million for the half-year ended 31 December 2009 on revenue of \$94.4 million. This is in line with the market guidance issued by Nomad on 11 January 2010.

Summary of Consolidated Result

	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	(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)

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 also 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 the 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 reduce 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.

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 work-in-hand stands at approximately \$160 million of which about \$125 million relates to the six months ending 30 June 2010.

Tender activity is strong and the directors have confidence that improved profitability should follow.

Nomad's bank facilities are due for renewal on 12 April 2010. The Company is currently working through the bank's review process to finalise 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.

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 is focussing 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 a number of months before an appointment is made. The Board has also initiated a search for an additional Non-Executive Director.

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