



**INVESTOR ROADSHOW  
2010 HALF YEAR RESULTS PRESENTATION**

# 2010 Half Year Results Presentation

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# 2010 Half Year Highlights

- Board of Directors refreshed – increased spread of expertise
  - 2 new Non-Executive Directors appointed
  - New Managing Director appointed
- Capital raising completed – financial flexibility enhanced
- Bank facility waiver being negotiated with Westpac
- Major legacy contracts and projects completed
- Further progress on “turn-around” projects
- Rebuilding of quality order book - \$100m+ in bids
- Platform for improved financial performance in place

# 2010 Half Year Financial Results

- Result was a net loss after tax of \$18.7m
- Sales of \$101m (up 9%)
- Underlying operating loss of \$3.3m (\$2.3m after tax)
- Cash flow from operations positive (\$0.2m) despite loss
- Major impacts on result include
  - goodwill impairment charge against Rapley business
  - losses on Gorgon contract and increased provisioning
  - closure of RTS business

# 2010 Half Year Financial Result Summary

	\$M
Underlying operating loss before tax	(3.3)
Rapley goodwill impairment charge	(10.0)
Losses and provisions on Gorgon contract and other legacy contracts	(8.2)
Loss from continuing operations	(21.5)
Income tax benefit	3.4
	(18.1)
Net loss on RTS closure	(0.6)
Reported net loss	(18.7)

# 2010 Half Year Financial Results

Nomad's trading results (excluding impairment of goodwill and discontinued operations)

	Half-year ended 31 December 2010		Half-year ended 31 December 2009		Increase / (Decrease)	
	\$m	% of Revenue	\$m	% of Revenue	\$m	%
Revenue	101.3	-	92.9	-	8.4	9
EBITDA	(7.1)	(7.0)	(1.1)	(1.2)	(6.0)	(546)
EBIT	(10.3)	(10.2)	(5.5)	(5.9)	(4.8)	(87)
Net (Loss) after tax	(8.1)	(8.0)	(4.9)	(5.3)	(3.2)	(65)
(Loss) per share (basic)	(4.9c)		(3.5c)		(1.4c)	(40)

# 2010 Half Year Financial Results cont/d

- Rapley Goodwill impairment charge
  - Review of carrying value based on performance
  - Prudent decision to write down goodwill carrying value
- Gorgon Contract
  - Significant and late design changes made by TDKJV
  - Changes impacted procurement/contract management
  - Completion achieved 2 days over contract schedule
  - Increased provisioning for TDKJV ongoing contract dispute

# 2010 Half Year Financial Results cont/d

- Residential Trust Systems (RTS) Closure
  - Operated in a highly competitive market sector
  - Unlikely to achieve required savings/profit margins
- Balance Sheet
  - Net borrowings reduced by \$14.3m to \$3.7m
  - Net debt to equity ratio of 6.9% at 31/12
- Banking Facilities
  - Reported losses breached earnings/interest covenants
  - In constructive discussions with Bank to revise parameters
  - Bank aware of timeframe to complete turn-around



# Nomad's Strategic Imperatives

## Stop Haemorrhaging

### Phase -1

Financial flexibility

Management capability

Complete legacy contracts

Project control

Project delivery

Cost control measures

Tendering processes

Close side businesses

Cultural change

## Turn-Around Measures

### Phase - 2

Standardise systems

Project management

Contract management

Imbed cultural change

Restructure operations

Rationalise land/buildings

Centralise processes

Restore/improve margins

Rebuild order book

## Performance Enhancers

### Phase - 3

Integration of bus units

Shared infrastructure

Market place repositioning

Re-branding of products

Product development

High margin projects

Partnership approach

Joint Venture options

# Nomad Strategic Imperatives – Stage 1

## Stop Haemorrhaging

- Financial flexibility
- Management capability
- Complete legacy contracts
- Project control
- Project delivery
- Cost control measures
- Tendering processes
- Close side businesses
- Cultural change

## Progress to date

- Capital raising completed
- Key new appointments made
- Contracts completed by 31/12
- Tighter controls in place
- People and processes in place
- Key cost areas being centralised
- Process restructured
- RTS unprofitable - closed
- Underway – people & processes

# Nomad Strategic Imperatives – Stage 2

## Turn-Around Measures

- Standardise systems
- Project management
- Contract management
- Imbed cultural change
- Restructure operations
- Rationalise buildings/land
- Centralise processes
- Restore/improve margins
- Rebuild order book

## Progress to date

- Underway – Company wide
- New appointments -systems refined
- New appointments -systems refined
- New people/processes in place
- Streamlined – back to basics
- Buildings/facilities/land under review
- Core functions being centralised
- Fixed estimating and bidding
- Corrected business model focus

# Nomad Strategic Imperatives – Stage 3

## Performance Enhancers

- Integration of business units
- Shared infrastructure
- Market place repositioning
- Rebranding of products
- Product development
- High margin projects
- Partnerships
- Joint venture options

## Progress to date

- Planning well underway
- Opportunities indentified
- Underway with Rapley and Modular
- First re-brand underway - Rapley
- New products being developed
- Projects already won with > margin
- Quality and schedule the keys
- 2 opportunities being evaluated

# Business Unit Direction

- Nomad Modular
  - Completion of Gorgon contract positions Modular as
    - a manufacturer of more complex central facilities
    - as well as traditional accommodation for remote areas
  - Management changes - increased capability in key areas
- McGrath Homes/Halley Homes
  - Performing well in high-end transportables in WA and Qld
  - Developing new 2 storey and eco housing range
- Rapley
  - New management in place – return to traditional business
  - Focus on in-situ housing and commercial construction

# Work in Hand – Future Opportunities

(\$ million)	Work in Hand	Tenders/ Negotiations	Pipeline
<b>Bulk Housing</b>	\$25m	\$45	\$65m
<b>Schools, Commercial and Civil &amp; Infrastructure</b>	\$17m	\$0m	\$50m
<b>Villages (permanent and temporary)</b>	\$40m	\$65	\$120m
<b>TOTAL</b>	<b>\$82m</b>	<b>\$110m</b>	<b>\$235m</b>

- New focus is on quality of estimate and project execution
- This guarantees continuity of orders and increased profitability

# Opportunities – Long-Term

- Very strong outlook for Resources sector growth in Australia
  - \$170 billion in committed or planned projects in WA
- “Royalties for Regions” funding from WA Government providing boost for Rural and Regional housing and construction in WA
- WA Government “Pilbara Cities” Policy for Port Hedland/Karratha
- Federal Indigenous housing program
- Significant growth in accommodation for mining and/or oil and gas projects in and around Port Hedland, Karratha, Onslow, Broome, Darwin and regional Queensland

# Company Outlook

- Nomad operates in a sector which is expected to benefit from a sustained period of growth in remote and regional construction activity levels over the next few years
- Nomad is a company currently in transformation
- Despite the recent poor performance, the Company remains focused on the turn-around process
- Turn-around work will continue throughout FY 2010/2011
- Company expects to see benefits from this work reflected in FY 2011/2012 financial results



# nomad

building solutions limited

