



HALF YEAR FINANCIAL REPORT

31 DECEMBER 2012

ASX HALF-YEAR INFORMATION – 31 DECEMBER 2012

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

This information should be read in conjunction with the 30 June 2012 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 2012

APPENDIX 4D

Results for Announcement to the Market

28 February 2013

	\$'000
Revenue from continuing operations down 44% to	34,589
Loss for the half-year of	(7,350)
Loss attributable to members of Nomad Building Solutions Limited of	(7,350)

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

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

NOMAD BUILDING SOLUTIONS LIMITED

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31 DECEMBER 2012

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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 2012 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*.

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Directors' Report

Your directors present their report on the consolidated entity consisting of Nomad Building Solutions Limited and the entities it controlled ("the Group") at the end of, or during the half-year ended 31 December 2012.

Directors

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

Peter Graham Abery – Non-executive Chairman

David John Franklyn – Non-executive Director

Peter John Hogan was appointed as Managing Director on 01 August 2012

Peter Charles Constable was appointed as a Non-executive Director on 23 August 2012

David Harold Bottomley was appointed as an Alternate Director to Peter Charles Constable on 21 September 2012

David Cochrane resigned as a non-executive director on 23 October 2012

Michael Folwell was appointed a non-executive director on 23 August 2012 and resigned from this position on 23 October 2012

David Craig resigned as a non-executive director on 31 July 2012.

Paul Robinson resigned as company secretary on 21 December 2012. Andrew Sturcke remains as the sole company secretary for the Nomad Group.

Review of Operations

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

	December 2012 \$'000	December 2011 \$'000
Revenue	34,589	61,534
Other	474	276
Total revenue	35,063	61,810
Profit /(Loss) from continuing operations before income tax (before unusual items)	(3,344)	7,350
Impairment of goodwill	(5,000)	-
Profit /(Loss) from continuing operations before income tax	(8,344)	7,350
Income tax (expense) / benefit	992	(930)
Profit /(Loss) from discontinued operations	2	(4,267)
Net Profit /(Loss) attributable to members of Nomad Building Solutions Limited	(7,350)	2,153

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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 \$(7.3) million for the half-year ended 31 December 2012. Total revenue for the half-year decreased by 44% to \$35 million.

Result

The trading result from continuing operations for the half-year is summarised as follows:

	Half-year ended 31 December 2012		Half-year ended 31 December 2011		Increase / (Decrease)	
	\$m	% of Revenue	\$m	% of Revenue	\$m	%
Revenue	34.6		61.5	-	(26.9)	(43.7)
EBITDA	(1.4)	(4.0)	10.3	16.7	(11.7)	(113.6)
EBIT	(8.1)	(23.4)	8.0	13.0	(16.1)	(201.3)
Net Profit / (Loss) after tax	(7.3)	(21.2)	6.4	10.4	(13.7)	(214.1)
Basic Earnings/ (Loss) per share	(2.7c)		0.8c			

EBITDA stands for earnings before interest expense, tax depreciation and amortisation, and before goodwill impairment charges.

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

Review of Operations

Trading conditions to the half year to 31 December 2012 have been difficult due to a substantial reduction in resource sector activity as customers reviewed their demand requirements for manufactured and in situ accommodation in light of deteriorating commodity prices. These conditions have impacted the ability for all operations to win new work and as such financial performance has not meet expectations.

The EBITDA excluding Rapley operating losses is positive \$3.3 million and includes McGrath, Nomad Eastern States, Nomad Rental and Corporate.

In addition to the inability to win new work the **Rapley** business experienced cost increases in a number of housing projects in the North West of Western Australia which has resulted in the Rapley business posting a half year EBITDA loss of \$4.6 million. As a result of the on-going poor performance of Rapley, The Board of Nomad took the decision to write down the remaining \$5 million of goodwill associated with the Rapley business reflecting the continued underperformance of this business.

McGrath Homes reported a break even EBITDA result for the half, as the order book was run down but the cost base maintained in expectation of future contract wins. As announced in late October 2012, McGrath was successful in securing a material contract with miner Rio Tinto for the supply of modular housing in Wickham, Western Australia.

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Nomad Eastern States reported a strong first quarter in 2013 but experienced a significant deterioration in the second quarter as the order flow reduced in response to weak coal sector demand. For the half year the business reported a small EBITDA loss of \$0.1m and is expected to report a small profit for the full year.

During the period Nomad announced the sale of certain rental assets for a consideration of \$2.4 million. This sale contributed \$0.6 million EBITDA, contributing to the \$5.3 million EBITDA delivered by the **Nomad Rental** business unit for the half year.

There has been a continuing focus on corporate overheads and Management's objective is to reduce the annual corporate overhead costs to approximately \$2.5 million by 30 June 2013, in line with the reduced scope of the Nomad business. This represents a substantial reduction from corporate cost run rate of \$4.1 million per annum for the first half.

Bank debt has been reduced by \$6.4 million to less than \$0.5 million and net cash surplus is \$3.3 million at the end of December 2012. The net cash surplus is made up of \$1 million in cash and cash equivalents, and \$2.3 million of cash held in trust. Further debt reductions were made in January 2013 reducing borrowings to zero. Despite the poor result cash flow from operations was positive \$1.9 million for the first half, aided by the sale of rental assets.

No interim dividend has been declared in respect of the six months ending 31 December 2012. Directors intend to recommence paying dividends when circumstances allow.

Outlook

Nomad is forecast to deliver a second half EBITDA profit of \$7.3m before a forecast non-recurring operating loss from Rapley of \$0.4m and \$1m provision to close out legacy issues. The \$7.3m EBITDA profit is an improvement on the comparable first half EBITDA profit of \$3.3m. The second half forecast includes a strong recovery from McGrath as new contract wins begin to contribute; uplift in EBITDA from Nomad Rental due to asset sales and a slightly improved half from Nomad Eastern States.

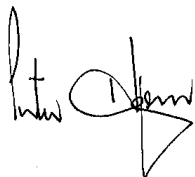
Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 6.

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 that 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:



Peter Hogan
Managing Director

Perth
28 February 2013

28 February 2013

Board of Directors
Nomad Building Solutions Limited
Level 2, 76 Hasler Road
OSBORNE PARK WA 6017

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 2012, 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
Director

BDO Audit (WA) Pty Ltd
Perth, Western Australia

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Consolidated Statement of Profit or Loss and Other Comprehensive Income For the half-year ended 31 December 2012

	Note	31 Dec 2012 \$'000	31 Dec 2011 \$'000
Revenue from continuing operations		34,589	61,534
Other income		474	276
Raw materials, consumables and contract labour		(25,311)	(41,780)
Employee benefits expense		(6,760)	(5,898)
Depreciation and amortisation expenses		(1,744)	(2,294)
Borrowing cost expense		(282)	(689)
Impairment of intangibles	7	(5,000)	-
Operating lease cost		(1,873)	(1,437)
Corporate and administration expenses		(804)	(391)
Other expenses		(1,633)	(1,971)
Profit/(loss) before income tax expense		(8,344)	7,350
Income tax benefit/(expense)		992	(930)
Net profit / (loss) from continuing operations		(7,352)	6,420
Profit / (Loss) from discontinued operations net of income tax	3	2	(4,267)
Total comprehensive income/ (loss) for the half year		(7,350)	2,153
Net profit/(loss) and total comprehensive income attributable to members of Nomad Building Solutions Limited		(7,350)	2,153
Earnings/(loss) per share for profit/(loss) attributable to the ordinary equity holders of the Company			
		Cents	Cents
Basic Earnings/(loss) per share	10	(2.7)	0.8
Diluted Earnings/(loss) per share	10	(2.7)	0.7
Continuing operations			
Basic Earnings/(loss) per share	10	(2.7)	0.8
Diluted Earnings/(loss) per share	10	(2.7)	0.7

The above consolidated statement of Profit or Loss and Other Comprehensive income should be read in conjunction with the accompanying notes.

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Consolidated Statement of Financial Position As at 31 December 2012

	Note	31 December 2012 \$'000	30 June 2012 \$'000
ASSETS			
Cash and cash equivalents		1,537	10,180
Cash Held in trust		2,278	-
Trade and other receivables		8,601	16,941
Inventories		9,565	15,975
Assets Held as Available for Sale	6	8,241	-
Total current assets		30,222	43,096
Non-current assets			
Receivables		-	-
Property, plant and equipment	4	2,624	10,582
Investment property	5	4,204	4,357
Deferred tax assets		11,525	10,651
Intangible assets	7	16,416	21,416
Total non-current assets		34,769	47,006
Total assets		64,991	90,102
LIABILITIES			
Current liabilities			
Trade and other payables		12,592	21,818
Deferred income		4,784	6,060
Borrowings	8	478	6,900
Provisions		3,504	4,243
Total current liabilities		21,358	39,021
Non-current liabilities			
Deferred tax liabilities		40	161
Provisions		28	29
Total non-current liabilities		68	190
Total liabilities		21,426	39,211
Net assets		43,565	50,891
EQUITY			
Contributed equity	9	107,773	107,773
Reserves		73	49
(Accumulated losses)/		(64,281)	(56,931)
Total equity		43,565	50,891

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

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Consolidated Statement of Changes in Equity For the half-year ended 31 December 2012

	Note	Contributed Equity \$'000	Option Reserve \$'000	Accumulated Profits/ (Losses) \$'000	Total \$'000
Balance at 1 July 2011		107,773	110	(60,107)	47,776
Total comprehensive profit for the half year		-	-	2,153	2,153
Transactions with owners in their capacity as owners:					
Employee share options		-	96	-	96
Balance as at 31 December 2011		107,773	206	(57,954)	50,025
Balance at 1 July 2012		107,773	49	(56,931)	50,891
Total comprehensive income /(loss) for the half year		-	-	(7,350)	(7,350)
Transactions with owners in their capacity as owners:					
Employee share options		-	24	-	24
Balance as at 31 December 2012		107,773	73	(64,281)	43,565

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

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Consolidated Statement of Cash Flows For the half-year ended 31 December 2012

	Note	Half-year	
		2012 \$'000	2011 \$'000
Cash flow from operating activities			
Receipts from customers (inclusive of GST)		53,937	88,673
Payments to suppliers and employees (inclusive of GST)		(51,764)	(84,826)
Cash generated from operations		2,172	3,847
Interest and other costs of finance paid		(282)	(689)
Income tax benefit		-	-
Net cash inflow from operating activities		1,891	3,158
Cash flow from investing activities			
Payments for property, plant and equipment		(5,314)	(1,674)
Payments to cash held in trust		(2,278)	-
Proceeds from sale of property, plant and equipment		3,408	-
Interest received		73	165
Net cash (outflow) from investing activities		(4,111)	(1,509)
Cash inflow from financing activities			
Proceeds from issue of shares net of issue costs		-	-
Repayment of secured borrowings		(6,422)	(6,100)
Repayment of hire purchase and lease liabilities		-	(1,564)
Dividends paid		-	-
Net cash (outflow) from financing activities		(6,422)	(7,664)
Net increase/(decrease) in cash and cash equivalents		(8,643)	(6,015)
Cash and cash equivalents at beginning of period		10,180	17,042
Cash and cash equivalents at the end of the half-year		1,537	11,027

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

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Notes to the consolidated financial statements For the half-year ended 31 December 2012

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

The general purpose financial report for the interim half-year reporting period ended 31 December 2012 has been prepared in accordance with Australian Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The interim report does 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 Group as the full financial report. Accordingly, the interim financial report is to be read in conjunction with the annual report for the year ended 30 June 2012 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.

(a) Going Concern

The financial report has been prepared on the basis that the Group continues as a going concern. The directors consider this appropriate with the Group expecting an improved performance in the second half and the zero debt levels from January 2013.

Existing working capital resources are expected to be sufficient to cover the Group's funding requirements for a period of not less than twelve months from the date of these half-year financial statements.

The Directors have approved a budget for the Group that indicates that it will be profitable for the year ending 30 June 2013.

Based on the Directors' cash flow forecasts, the Directors are satisfied that the going concern basis of preparation is appropriate. These half-year financial statements have therefore been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

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Notes to the consolidated financial statements For the half-year ended 31 December 2012

Note 2. Segment information

(a) Segments as reported within the business from 1 July 2012

Following a review within the business, 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 three non-executive directors and one executive director.

The Board considers the business from a product perspective and has identified 3 reporting segments. Transportables consist of all centralised manufacturing operations. The Construction division consists of all operations where the majority of the work is in situ construction. Rental consists of assets where the primary income source is rental yield. The Group operates in one geographical area, being Australia.

For the six months ended 31 December:

	Transportables \$'000	Construction \$'000	Rental \$'000	Total \$'000
Half-year 2012				
Total Segment Revenue	22,082	4,211	8,296	34,589
Inter-segment sales	-	-	-	-
Segment revenue from external customers	22,082	4,211	8,296	34,589
Segment EBITDA	(66)	(4,585)	5,297	646
Segment Assets (at 31 December 2012)	33,415	7,151	13,235	53,801
Segment Liabilities (at 31 December 2012)	6,486	12,849	9,698	29,033
Half-year 2011				
External Sales	30,239	17,509	14,038	61,786
Intersegment sales	(242)	(10)	-	(252)
Segment revenue from external customers	29,997	17,499	14,038	61,534
Segment EBITDA	3,408	323	8,860	12,591
Segment Assets (at 30 June 2012)	38,928	12,732	9,614	61,274
Segment Liabilities (at 30 June 2012)	12,633	9,475	1,053	23,161

The Board reviews segment performance based on EBITDA. The measure includes all revenues and costs directly attributable to the segment operation.

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Notes to the consolidated financial statements For the half-year ended 31 December 2012

Note. 2 cont...

A reconciliation of EBITDA to operating profit / (loss) before income tax is provided as follows:

	Half-year	
	2012	2011
	\$'000	\$'000
Total Segment EBITDA	646	12,591
Inter Segment eliminations	-	-
Revenue not attributable to operating segments	117	-
Interest Revenue	51	88
Finance costs	(282)	(689)
Depreciation and amortisation	(1,707)	(2,294)
Impairment of intangible asset	(5,000)	-
Consultants and legal expenses	(189)	(305)
Employee benefits expense	(1,082)	(1,531)
Other expenses	(898)	(510)
Operating Profit/(Loss) before income tax for continuing operations	(8,344)	7,350

A reconciliation of Segment Assets to total assets is provided as follows:

	Half-year	June
	2012	2012
	\$'000	\$'000
Total Segment Assets	53,801	61,274
Inter Segment eliminations	(19,339)	215
Deferred Tax Assets	11,261	10,651
Non-segment Assets	19,268	17,962
Total Assets per Statement of Financial Position	64,991	90,102

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Notes to the consolidated financial statements For the half-year ended 31 December 2012

A reconciliation of Segment Liabilities to total liabilities is provided as follows:

	Half-year 2012 \$'000	June 2012 \$'000
Total Segment Liabilities	29,033	23,161
Inter Segment eliminations	(19,339)	49
Secured bank loan		6,900
Deferred Tax Liabilities	40	161
Non-segment Liabilities	11,692	8,940
Total Liabilities per Statement of Financial Position	<u>21,426</u>	<u>39,211</u>

Note 3. Discontinued operation

In June 2012 the Transportable operations of Nomad Modular Building Pty Ltd were discontinued. The entity was not a discontinued operation or classified as held for sale as at 31 December 2011 and the comparative Statement of Profit or Loss and Other Comprehensive Income has been re-presented to show the discontinued operation separately to continuing operations.

	Half-year	
	2012 \$'000	2011 \$'000
Results of discontinued operation		
Revenue	42	20,802
Expenses	(40)	(25,069)
Profit/(loss) before income tax expense	<u>2</u>	<u>(4,267)</u>
Income tax benefit/(expense)	-	-
Net profit/(loss) for half-year	<u>2</u>	<u>(4,267)</u>
Gain on sale of assets	-	-
Income tax on gain on closure of discontinued operation	-	-
Profit/(loss) for half-year	<u>2</u>	<u>(4,267)</u>

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Notes to the consolidated financial statements For the half-year ended 31 December 2012

Note. 3 cont...

	Half-year	
	2012 \$'000	2011 \$'000
Results of discontinued operation		
Cash flows from (used in) discontinued operations		
Net cash from/ (used in) operating activities	1,104	(4,170)
Net cash from investing activities	3	22
Net cash (used in)/from financing activities	(1,682)	5,526
	<u>(647)</u>	<u>1,378</u>

	Half-year	
	2012 \$'000	2011 \$'000
Results of discontinued operation		
Carrying amounts of assets and liabilities		
Cash and Cash Equivalents	59	3,076
Receivables	2,025	7,722
Work in Progress	1,729	2,697
Property, plant and equipment	114	1,306
Total Assets	<u>3,927</u>	<u>14,801</u>

Trade creditors	290	8,054
Provisions	1,922	1,593
Total Liabilities	<u>2,212</u>	<u>9,647</u>

Net Assets	<u>1,715</u>	<u>5,154</u>
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Notes to the consolidated financial statements For the half-year ended 31 December 2012

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 2012				
Opening net book amount	13,307	737	3,606	17,650
Additions	2,819	883	453	4,155
Disposals	(6,158)	(514)	(932)	(7,604)
Depreciation charge	(2,637)	(78)	(904)	(3,619)
Closing net book amount	7,331	1,028	2,223	10,582
At 30 June 2012				
Cost or fair value	18,868	1,102	5,272	25,241
Accumulated depreciation	(11,537)	(74)	(3,049)	(14,659)
Net book amount	7,331	1,028	2,223	10,582
Period ended 31 December 2012				
Opening net book amount	7,331	1,028	2,223	10,582
Additions	658	4,534	115	5,307
Disposals	(869)	(1,214)	(7)	(2,090)
Transfers to Investment Property	(6,923)	(1,736)	-	(8,660)
Assets included in a disposal group Classified as held for sale	-	(2,210)	-	(2,210)
Depreciation charge	(25)	10	(289)	(304)
Closing net book amount	172	411	2,041	2,624
At 31 December 2012				
Cost or fair value	381	468	5,432	7,875
Accumulated depreciation	(209)	(57)	(3,392)	(3,671)
Net book amount	172	411	2,041	2,624

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Notes to the consolidated financial statements For the half-year ended 31 December 2012

Note 5. Non-current assets – investment property

	Consolidated	
	31 December 2012 \$'000	30 June 2012 \$'000
Opening net book amount	4,357	5,162
Transfers from property, plant and equipment	8,660	-
Disposals	(1,342)	-
Assets classified as held for sale	(6,031)	-
Depreciation charge	(1,440)	(805)
Balance	4,204	4,357

Note 6. Assets Classified as Available for Sale

	Consolidated	
	31 December 2012 \$'000	30 June 2012 \$'000
Non-current assets held for sale		
Buildings	8,241	-

Note 7. Non-current assets – intangible assets

	Note	Goodwill \$'000	Total \$'000
Year to 30 June 2012			
Opening net book amount at 1 July 2011		21,416	21,416
Closing net book amount at 30 June 2012		21,416	21,416
At 30 June 2012			
Cost or fair value		88,857	88,857
Accumulated amortisation and impairment		(67,441)	(67,441)
Net book amount at 30 June 2012		21,416	21,416
Period 31 December 2012			
Opening net book amount at 1 July 2012		21,416	21,416
Provision for impairment		(5,000)	(5,000)
Closing net book amount at 31 December 2012		16,416	16,416
At 31 December 2012			
Cost or fair value		88,857	88,857
Accumulated amortisation and impairment		(72,441)	(72,441)
Net book amount at 31 December 2012		16,416	16,416

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Notes to the consolidated financial statements For the half-year ended 31 December 2012

Note. 7 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:

31 December 2012	\$'000
Transportables	16,416
	<u>16,416</u>
30 June 2012	\$'000
Transportables	16,416
Construction	5,000
	<u>21,416</u>

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 management for the following year, and then extrapolating the first year using an estimated growth rate of 3.0% (2011: 3.0%) per annum for years two, three, four and five with a final terminal value adopted.

Testing for impairment of goodwill is carried out on an annual basis or more frequently if events or changes in circumstances indicate that it might be impaired.

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

The growth rate is based on expectations of Australia's GDP growth rate, which is considered a more conservative approach for these calculations than using anticipated growth rates in the Groups' key markets which are based around mining areas, which are anticipated to continue growing strongly. Underperforming businesses are expected to return to a normal profit level through years one and two, before standard growth rates have been applied for years three to five. The discount rate of 20% is based on general construction industry rates of return adjusted for a risk premium relating to the Group's current trading performance.

(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 2012. The discount rate applied to the cash flow projections would have to increase by at least 4.6%, or the actual EBITDA achieved would have to be at least 4.3% 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.

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Notes to the consolidated financial statements For the half-year ended 31 December 2012

Note 7. cont...

(d) Impairment charge

As a result of the above impairment testing process, an amount of \$5,000,000 (2011: nil) has been brought to account in the current period as an impairment charge against the Group's construction segment.

Note 8. Current Borrowings

All borrowings are provided by Westpac Banking Corporation under extensions of the facility agreement entered in November 2011. The facility expires on 31 August 2013. The bank loans have variable interest rates and are rolled or repaid over periods up to the end of the facility agreement. Further debt reductions were made in January 2013 reducing borrowings to zero.

Contractual maturities of financial liabilities:

	Less than 6 months \$'000	6 – 12 months \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Total contractual cash flows \$'000	Carrying amount (assets)/ liabilities \$'000
Non-derivatives At 31 December 2012						
Trade payables	12,592	-	-	-	12,592	12,592
Borrowings (exclude hire purchase liability)	478	-	-	-	478	478
Hire Purchase	-	-	-	-	-	-
	13,070	-	-	-	13,070	13,070
Non-derivatives At 30 June 2012						
Trade Payables	21,818	-	-	-	21,818	21,818
Borrowings (exclude hire purchase liability)	6,422	478	-	-	6,900	6,900
Hire Purchase	-	-	-	-	-	-
	28,240	478	-	-	28,718	28,718

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Notes to the consolidated financial statements For the half-year ended 31 December 2012

Note 9. Equity securities issued

	Half-year		Half-year	
	2012 Shares	2011 Shares	2012 \$'000	2011 \$'000
Issues of ordinary shares during the half-year				
Share Placement	-	-	-	-
Rights Issue	-	-	-	-
Less: Transaction costs arising on share issues	-	-	-	-
Income tax on transaction costs	-	-	-	-
Total movement	-	-	-	-
Total shares on issue	277,479,329	277,479,329	107,773	107,773

Note 10. Earnings per share

	Half-year	
	2012 Cents	2011 Cents
Basic Earnings / (Loss) per share		
From Continuing Operations	(2.7)	2.3
From Discontinued Operations	0	(1.5)
Total Basic Earnings / (Loss) per share	(2.7)	0.8
Diluted Earnings / (Loss) per share		
From Continuing Operations	(2.7)	2.2
From Discontinued Operations	0	(1.5)
Total Diluted Earnings / (Loss) per share	(2.7)	0.7
	Number	Number
Weighted average number of shares used as the denominator in calculating basic earnings per share	277,479,329	277,479,329
Weighted average number of shares used as the denominator in calculating diluted earnings per share	277,479,329	286,989,329

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Note 11. Related Parties

In December 5,000,000 options were granted to Peter Hogan under the Managing Director's Long Term Incentive Plan 2012 (MDLTIP 2012), as approved at the Annual General Meeting and the relevant expense included in the Statement of Profit or Loss and Other Comprehensive Income as valued by way of an option pricing model. A further 2,900,000 options were issued under the Executive Long Term Incentive Plan 2012 (ELTIP 2012) and the relevant expense included in the Statement of Profit or Loss and Other Comprehensive Income as valued by way of an option pricing model. Both sets of options have an issue date of 12 December 2012.

Managing Director's Long Term Incentive Plan 2012 and Executive Long Term Incentive Plan 2012

The assessed fair value at grant date of options granted under both the MDLTIP 2012 and the ELTIP 2012 during the year ended 31 December 2012 was 1.5c per option. The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option and the share price at grant date.

The options granted are subject to the following vesting conditions:

- 30 June at the end of the first year of the Testing Period 33.3% of options to vest
- 30 June at the end of the second year of the Testing Period 33.3% of options to vest
- 30 June at the end of the third year of the Testing Period 33.4% of options to vest

The model inputs for options granted during the half-year ended 31 December 2012 included:

- a. Exercise price: \$0.095
- b. Grant Date: 12 December 2012
- c. Expiry Date: 12 December 2017
- d. Share Price at Grant Date: \$0.09

Total expenses recognised during the period from the options issued under the employee option plan were \$24,411 (2011: \$95,177).

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Notes to the consolidated financial statements For the half-year ended 31 December 2012

Note 12. Contingent liabilities

The Group is party to a number of contracts which through the ordinary course of business are now the subject of claims by customers or suppliers. The Group has reviewed these claims and, where appropriate, made provision in the accounts for settlement of the claims. Where the Group does not believe a liability will exist it has not made a provision. If all claims were to be settled at the total claim amount then the amount not provided for is approximately \$3,400,000 (30 June 2012 \$3,500,000). A reduction has occurred in the period as a result of issues being settled or otherwise being provided for.

Contingent instruments

The Group had outstanding guarantees to the value of \$7,219,491 (30 June 2012: \$12,186,000). Bank guarantees are provided in certain contracts as a percentage of the contract sum. Generally, two bank guarantees, each for 2.5% to 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. In the normal course of trading the guarantees are returned to the bank on meeting the required criteria.

Note 13. Events subsequent to reporting date

As announced to the ASX on 24 December 2012, the Company has entered into a sale agreement of part of its rental fleet to Black Diamond Group Limited (TSX: BDI) for a sales value of \$9.7m, of which \$5.97 (plus GST) has been settled subsequent to the period end. Other assets sales of \$0.2m have been transacted and settled subsequent to the period end.

Note 14. 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.

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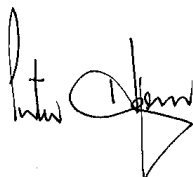
DECLARATION BY DIRECTORS

31 DECEMBER 2012

In the directors' opinion:

1. The financial statements, comprising the statement of profit or loss and other 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 2012 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:



Peter Hogan
Managing Director

Perth
28 February 2013

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Nomad Building Solutions Limited, which comprises the consolidated statement of financial position as at 31 December 2012, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year's 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 of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

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 a Financial Report 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 half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 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*, which has been given to the directors of Nomad Building Solutions Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.



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 2012 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*.

BDO Audit (WA) Pty Ltd

A handwritten signature in blue ink, consisting of the letters 'BDO' above a stylized signature that appears to read 'Glyn O'Brien'.

Glyn O'Brien
Director

Perth, Western Australia
Dated this 28th day of February 2013

NOMAD BUILDING SOLUTIONS LIMITED

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Supplementary Appendix 4D Information For the half-year ended 31 December 2012

ASSETS PER SHARE

	31 December 2012	30 June 2012	31 December 2011
	Cents	Cents	Cents
Net tangible asset backing per ordinary share	9.8	9.7	10.3
Net asset backing per ordinary share	15.7	21.1	18.0

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	Nil	Nil	Nil
	Previous Year	N/A	Nil	Nil	Nil
Interim dividend	Current year	N/A	Nil	Nil	Nil
	Previous year	N/A	Nil	Nil	Nil