

31 August 2010

YEAR ENDED 30 JUNE 2010 RESULTS ANNOUNCEMENT

Nomad Building Solutions Limited and its subsidiary entities (Nomad) have reported a net loss after tax (NLAT), but before impairment charges, of \$10.7 million for the year ended 30 June 2010 (FY10) on revenue of \$223.2 million. This is greater than the NLAT of \$8 million indicated in the market guidance on 17 August 2010 owing to further reassessments of major projects.

As indicated in the 17 August 2010 announcement, Nomad has booked impairment charges at 30 June 2010 of \$50.6 million against goodwill and \$2.3 million after tax against plant & equipment. These writedowns have reduced the carrying value of goodwill to \$31.4 million and plant & equipment to \$3.7 million on Nomad's 30 June 2010 balance sheet.

After allowing for all impairment charges, the statutory NLAT for FY10 was \$63.6 million, equating to a reported statutory loss per share of 46.1 cents.

Key Points

- In the past 12 months Nomad has experienced difficult operating conditions and has also experienced difficulty in the execution of some major contracts.
- Revenue decreased by 46% to \$223m.
- The NLAT is clearly unacceptable.
- The recent appointment of a new Managing Director and changes in management are expected to result in improvements to the performance of Nomad's businesses.
- No final dividend has been declared.

Summary of Results (before impairment charges):

	FY10	FY09	Change from FY09	
			\$m	%
Revenue (\$m)	223.2	415.3	↓ 192.1	(46)
EBITDA (\$m)	(2.5)	41.6	↓ 44.1	(106)
EBIT (\$m)	(7.0)	31.5	↓ 38.5	(122)
(NLAT) / NPAT (\$m)	(10.7)	20.1	↓ 30.8	(153)
Loss/Earnings Per Share - basic (cents)	(9.4)	14.8	↓ 24.2 c	(164)
Dividends per share, fully franked (cents)	0.0	4.5	↓ 4.5 c	(100)

Commentary

Following the Global Financial Crisis and with tax uncertainty in the resources sector, Nomad has experienced a decline in revenue which together with the poor execution of its contracts has resulted in unacceptable margins.

Despite the headline losses, cash flow from operations remained positive and Nomad's net debt was reduced by \$9 million over the course of the 12 months to 30 June 2010, from \$27 million to \$18 million.

Nomad's net debt to equity ratio at 30 June 2010 was 32.0%.

Following the losses and writedowns reflected in the FY10 result, Nomad's Net Assets per share was 40.7 cents at 30 June 2010. NTA per share was 18.0 cents

Nomad's bank, Westpac, has been fully appraised of the Company's trading position and continues to support the Group. Westpac is working with Nomad to execute documentation extending the Company's banking facilities to July 2011.

Nomad continues to win contracts with the current order book in excess of \$100 million and the outlook on tenders and other inquiries remains positive. The Group is forecasting a return to profitability in the 2011 financial year.

The operating losses of FY10 can be attributed to a number of identified management and operating deficiencies. Nomad has appointed a new Managing Director, Mr Michael Bourke, with effect from 19 July 2010 and has effected a number of critical management changes. It has also reassessed how it will participate in the types of contracts for which it incurred the majority of the losses and is actively implementing other performance improvement initiatives.

Nomad has a strong exposure to the unprecedented levels of committed and planned investment in the Western Australian and Queensland resources sectors and the associated economic benefits. The outlook for the sectors where Nomad operates in is very positive for the foreseeable future.

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