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## **NOMAD ON TRACK TO RETURN TO PROFIT AND INITIATES A STRATEGIC REVIEW OF ITS WA MODULAR BUSINESS**

Nomad Building Solutions Limited (Nomad) (ASX Code:NOD) is pleased to report that it remains on track to return to profitability in the 2011/12 financial year. This turnaround in performance has been driven by a focus on cost reduction, continued sound performance from McGrath Homes, a strong contribution from the accommodation rental activities and continued improvement from the Rapley and Nomad Eastern States businesses.

Notwithstanding this positive trend, and despite management's efforts to restructure and re-build the business over the past 12 months, the WA based Nomad Modular business (WA Modular Business) has continued to underperform in terms of its project execution, profitability and order book position. The losses from this Business continue to negatively impact on the overall group result.

In view of this, Nomad has engaged KPMG to conduct a strategic review of the WA Modular Business. The strategic review will examine a range of options for the Business including: further re-structuring, product development and diversification opportunities; the potential for a trade sale; or the closure of the Business. The review is expected to be completed prior to the end of March, 2012.

Notwithstanding the disappointing performance of the WA Modular Business Nomad's other businesses performed satisfactorily in the first-half of 2011/2012 as outlined below:

### McGrath Homes

- Remains the stand-out business in terms of financial performance.
- Its order book is mainly private residential at present and has several significant commercial housing opportunities for mining companies in the north-west of WA where there is high demand for new accommodation.

### Nomad Eastern States – projects and hire business

- Financial performance continues to improve.
- Order book is growing and additional new hire fleet equipment has been leased out.

### Nomad WA Properties & Hire

- The long term lease of assets in Karratha continues to provide a secure long-term income stream
- Part of the rental fleet was recycled in late November 2011 with the sale of accommodation and facilities for \$8.5 million.
- The remaining rental fleet continues on long term leases, providing an attractive return on the capital invested

### Rapley

- Financial performance continues to improve.
- Order book has continued to grow over the past 6 months with an attractive pipeline of market opportunities in the state's North West.

Based on the half year performance, the Company expects to return to profitability during 2011/2012, consistent with the previous profit guidance provided at the Annual General Meeting in November 2011.

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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.