HALF YEAR FINANCIAL REPORT

31 December 2015

ONTERRAN
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ONTERRAN LIMITED (Formerly known as Nomad Building Solutions Limited)

ONTERRAN LIMITED (formerly Nomad Building Solutions Limited)
ACN – 117 371 418

ASX HALF-YEAR INFORMATION – 31 DECEMBER 2015

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

This information should be read in conjunction with the 30 June 2015 Annual Report of Onterran Limited (formerly Nomad Building Solutions Limited).

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ONTERRAN LIMITED (formerly Nomad Building Solutions Limited)

ACN – 117 371 418

RESULTS FOR ANNOUNCEMENT TO THE MARKET

29 February 2016

Current reporting period:	Half year ended 31 December 2015
Previous corresponding period:	Half year ended 31 December 2014

	$'000	Percentage change from corresponding period
Revenue from ordinary activities	123,406	Up 1,069%
Profit from ordinary activities after tax attributable to members	321	Note 1
Net profit (loss) from the period attributable to members	321	Note 1

Note 1 – *in the current period, the Group reported a profit after tax of $0.321 million. The Group reported an after tax loss of $22.204 million in the previous reporting period and therefore a percentage movement in profit after tax is not considered meaningful*

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

Net tangible assets	Current period	Previous period
Net tangible assets per security (cents)	1.5	2.2

HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS, 31 DECEMBER 2015

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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 2015 and any public announcements made by Onterran Limited during the interim period in accordance with the continuous disclosure requirements of the *Corporations Act 2001.*

Directors' Report

Your directors present their report on the consolidated entity consisting of Onterran Limited ("Onterran", "the Company") and the entities it controlled ("the Group") at the end of, or during the half-year ended 31 December 2015.

Directors

The names of persons who were directors of Onterran Limited ("Onterran" or "the Company") during the whole of the half-year and up to the date of this report, unless otherwise stated, are:

Lachlan McIntosh – Non-executive Chairman

Heather Gardner – Executive Director (Chief Executive Officer)

Wayne Bloomer – Executive Director (Chief Executive Officer – Bloomer Constructions)

Peter Charles Constable resigned as Non-executive Chairman on 21 December 2015

David Harold Bottomley resigned as Alternate Director to Peter Charles Constable on 21 December 2015.

Review of Operations

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

	December 2015 $'000	December 2014 $'000
Total revenue	123,406	10,556
Profit / (loss) from continuing operations before impairments & redundancy expenses	321	(1,737)
Redundancy expenses	-	(124)
Impairment expense (non-cash)	-	(20,163)
Profit from discontinued operations	923	(1,181)
Net profit / (loss) and total comprehensive income attributable to members of Onterran Limited	**1,244**	**(23,205)**

Directors' Report Cont…

Continuing operations

The Group finished the calendar year poorly relative to our expectations. Our primary markets of Queensland and Western Australia were turbulent for different reasons. Regional housing in Western Australia is very flat as the weakness in the mining industry affects the broader economy. Queensland has been operating in an environment of significantly rising prices due to high levels of building activity.

Our primary area of difficulty has been long term fixed price contracts taken on in the acquisition of Bloomer Constructions. A number of these were priced prior to the changed environment with a small number adversely mis-priced to add to this issue. Costs have risen by over 12 percent in Queensland over the last 15 months leading to losses on some longer term contracts. The pricing methodology for all contracts has been updated in an effort to achieve improved margins. As a Group however, we are seeing banks significantly tighten credit terms for apartment buildings over 4 storeys due to a perceived over supply in Queensland. Accordingly, we will be concentrating our efforts on developing our own stock and on smaller projects which are delivered in a much shorter timeframe and hence less affected by price variations in the market.

Onterran has announced today a significant conditional project to develop a minimum of 220 houses and apartments at Couran Cove on Stradbroke Island, Queensland, and we are in negotiations to secure other interests in development properties. A key feature of these projects will be the sale of primarily low cost product which in our view is less effected by fluctuations in the market.

Pleasingly, Group operating cash flow was much improved at +$1.8m (2014: negative $4.1m). That being said the $0.8m EBITDA from continuing operations has been below expectations for the half. Cash at bank at 31 December 2015 was $8.4m (including $2.4m trust as security for bank guarantees).

	Half-year ended 31 December 2015		Half-year ended 31 December 2014		Increase / (Decrease)
	$M	% of Revenue	$M	% of Revenue	$m
Revenue	123.4		10.6		112.8
EBITDA from continuing operations	0.8	0.6	(21.8)	(206)	22.6
EBIT	0.4	0.3	(22.0)	(208)	22.4
Net Profit / (Loss) after tax	0.3	0.2	(22.0)	(209)	22.3
Basic Earnings/ (Loss) per share	0.07c		(7.9)c		

* EBITDA represents earnings before interest, tax, depreciation and amortization

Directors' Report Cont…

Bloomer Constructions

Bloomer generated EBITDA of $1.0m on revenue of $113.8m. This is a disappointing result primarily stemming from a number of longer term projects on hand at the time of acquisition being unprofitable and decreased margins in a rising cost environment.

The abovementioned issues have been addressed and with $162m of work on hand and $98m of contracts pending the Group expects a strong rebound from Bloomer. Note these figures exclude revenue from Couran Cove the details of which have been announced separately.

McGrath Modular

McGrath posted an EBITDA of $0.3m on revenue of $8.9m (2014: EBITDA negative $0.8m on revenue of $10.3m). This result is a material improvement compared to the previous period and was achieved in a softening housing market in regional Western Australia. McGrath's current largest contract (see ASX announcement of 21 August 2015) has revenue and EBITDA heavily weighted to the second half of FY2016.

McGrath has work on hand of $25m excluding any possible revenue from The Meadowbrook Lifestyle Estate which has potential future revenues in excess of $40m (see separate ASX announcement). In December, 2015 McGrath unveiled its first locally designed and manufactured High Rise Modular Hotel Prototype at its Wangara Display Village. This paves the way for new innovative approach to viability of projects in the residential, hotel, student, education and aged care sectors.

Nomad Rental

Nomad Properties had EBITDA of $0.1m on revenue of $0.3m. Occupancy was 57% for the period.

This asset is immaterial to the Group and is likely to be sold in the 2016 calendar year.

Corporate

Corporate has reported an EBITDA loss of $1.1m for the FY2016 half year, excluding $0.3m of exceptional gains from the sale of Nomad Eastern States and other provision releases, (2014: EBITDA loss $0.8m). Going forward, corporate costs will be significantly reduced as growth related costs and integration costs subside.

Discontinued Operations

Onterran has disposed of its interest in Nomad Eastern States, the lessor of leased property at Wacol in Queensland. This disposal has allowed the release of an onerous lease contract provision resulting in a net gain on disposal of $0.9m.

Four of the five units Rapley held for sale in Derby WA were sold during the half year at a small loss. The Board are confident the remaining unit will sell during calendar year 2016.

The last remaining Nomad Modular project was completed in the half year.

Directors' Report Cont...

Outlook

Onterran enters H2 2016 with over $180m in work on hand, lower corporate costs and significant upcoming opportunities, particularly development opportunities at Couran Cove and the long term opportunity at Meadowbrook.

As mentioned, our focus will move away from over four storey high apartment buildings due to length of contract and tightening of rules by financiers.

Onterran believes that this re-focus will lead to a better ability to utilise the groups $30.7m in revenue tax losses, over $50m in usable capital losses and $17.8m in value of franking credits.

We feel that the result is an aberration linked in part by Bloomer Constructions making the jump from private company to public company at a time of substantial change in market conditions as outlined above. We feel that each of the key contributing factors leading to the poor result has been understood and addressed and are confident that the various businesses of the Group are well positioned to deliver on the various future opportunities.

A small number of the older contracts are still being finalised. While all efforts to manage these projects is being made, overall margins for the financial year will be lower than previously advised.

Subsequent events

During February 2015, McGrath Modular secured an exclusive supply contract for 181 houses into Meadowbrook Lifestyle Estate at Boyanup, Western Australia. First delivery of houses is expected in the first half of the 2017 financial year. The total project value over an expected four year period is approximately $40 million.

On 29 February 2016 the Company announced its conditional appointment as development partner for a substantial long term development of the Couran Cover resort on Stradbroke Island, Queensland.

On 29 February 2016 the Company announced the resignation of Heather Gardner as CEO, effective immediately.

No other events or circumstances have arisen since 31 December 2015 that have significantly affected, or may significantly affect:

a) The Group's operations in future financial years;

b) The results of those operations in future financial years; or

c) The Group's state of affairs in future financial years.

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 8.

Directors' Report Cont…

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:

Lachlan McIntosh
Executive Chairman
Brisbane

29 February 2016

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF ONTERRAN LIMITED
(FORMERLY NOMAD BUILDING SOLUTIONS LIMITED)

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2015, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

PKF HACKETTS

PKF HACKETTS AUDIT

Liam Murphy
Partner

Brisbane, 29 February 2016

PKF Hacketts Audit
ABN 33 873 151 348

Level 6, 10 Eagle Street, Brisbane QLD 4000
GPO Box 1568, Brisbane QLD 4001
p +61 7 3839 9733
f +61 7 3832 1407

8 East Street, PO Box 862
Rockhampton QLD 4700
p +61 7 4927 2744
f +61 7 4927 4317

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Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the half-year ended 31 December 2015

	Note	Half-year December 2015 $'000	Half-year December 2014 $'000
Revenue from continuing operations		123,405	10,556
Other income / (loss)		1	(414)
Raw materials, consumables and contract labour		(116,132)	(8,135)
Employee benefits expense		(5,214)	(1,761)
Depreciation and amortisation expenses		(343)	(224)
Borrowing cost expense		(69)	(41)
Impairment of assets		-	(5,047)
Impairment of intangibles		-	(15,116)
Operating lease cost		(585)	(776)
Corporate and administration expenses		(1,277)	(856)
Reversal of doubtful debt provision		983	-
Other expenses		(448)	(210)
Profit / (loss) before income tax expense		**321**	**(22,024)**
Income tax expense		-	-
Profit / (loss) after income tax from continuing operations		321	(22,024)
Other comprehensive income			
Profit / (loss) from discontinued operations net of income tax	3	923	(1,181)
Total comprehensive profit / (loss) for the half year		1,244	(23,205)
Net profit / (loss) and total comprehensive loss attributable to members of Onterran Limited		**1,244**	**(23,205)**

	Note	Cents	Cents
Earnings/(loss) per share for profit/(loss) attributable to the ordinary equity holders of the Company			
Basic earnings / (loss) per share	11	0.27	(8.3)
Diluted earnings / (loss) per share	11	0.26	(8.3)
Continuing operations			
Basic earnings/(loss) per share	11	0.07	(7.9)
Diluted earnings/(loss) per share	11	0.07	(7.9)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position
as at 31 December 2015

	Note	31 Dec 2015 $'000	30 June 2015 (re-stated) $'000
ASSETS			
Cash and cash equivalents		6,018	5,680
Cash held in trust		2,366	2,906
Trade and other receivables		28,733	27,394
Inventories		14,054	11,089
Non-current assets held for sale	6	782	1,716
Current tax asset		202	202
Total current assets		**52,155**	48,987
Non-current assets			
Property, plant and equipment	4	2,432	2,348
Investment property	5	502	536
Intangible assets	8	9,463	9,509
Total non-current assets		**12,397**	12,393
Total assets		**64,552**	61,380
LIABILITIES			
Current liabilities			
Trade and other payables	9	36,896	30,623
Deferred income		5,353	2,848
Borrowings	9	2,032	3,164
Provisions	10	1,052	5,972
Total current liabilities		**45,333**	42,607
Non-current liabilities			
Borrowings		123	101
Provisions	10	48	1,469
Other financial liabilities		2,497	2,348
Total non-current liabilities		**2,668**	3,918
Total liabilities		**48,001**	46,525
Net Assets		**16,551**	14,855
EQUITY			
Contributed equity		117,486	117,486
Reserves		624	172
(Accumulated losses)		(101,559)	(102,803)
Total equity		**16,551**	14,855

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

Consolidated Statement of Changes in Equity
for the half-year ended 31 December 2015

	Note	Contributed equity $'000	Share Based payment reserve $'000	Option reserve $'000	Accumulated (losses) $'000	Total $'000
Balance at 1 July 2014		107,773	-	106	(77,524)	30,355
Total comprehensive (loss) for the half year		-	-	-	(23,205)	(23,205)
Transactions with owners in their capacity as owners:						
Employee share options		281	-	-	-	281
Balance as at 31 December 2014		108,054	-	106	(100,729)	7,431
Balance at 1 July 2015		117,486	127	45	(102,803)	14,855
Total comprehensive profit for the half year		-	-	-	1,244	1,244
Transactions with owners in their capacity as owners:						
Equity settled share based payment		-	381	-	-	381
Employee share options		-	-	71	-	71
Balance as at 31 December 2015		**117,486**	**508**	**116**	**(101,559)**	**16,551**

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

Consolidated Statement of Cash Flows
for the half-year ended 31 December 2015

	Note	Half-year 31 Dec 2015 $'000	31 Dec 2014 $'000
Cash flow from operating activities			
Receipts from customers (inclusive of GST)		122,680	10,744
Payments to suppliers and employees (inclusive of GST)		(120,825)	(14,842)
Cash generated from operations		1,855	(4,098)
Interest and other costs of finance paid		(67)	(40)
Net cash inflow / (outflow) from operating activities		**1,788**	(4,138)
Cash flow from investing activities			
Payments for property, plant and equipment	4	(859)	(58)
Proceeds from sale of property, plant and equipment		1,334	151
Payments for development asset	8	(80)	-
Payments to cash held in trust		(149)	(3)
Proceeds from disposal of subsidiary net of cash disposed		(30)	-
Interest received		72	36
Net cash inflow from investing activities		**288**	126
Cash inflow from financing activities			
Net proceeds from borrowing		5,454	-
Repayment of borrowings		(6,937)	-
Repayment of hire purchase and lease liabilities		(255)	(1)
Net cash (outflow) from financing activities		**(1,738)**	(1)
Net (decrease) in cash and cash equivalents		**338**	(4,013)
Cash and cash equivalents at beginning of period		5,680	6,544
Cash and cash equivalents at the end of the half-year		**6,018**	2,531

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

Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2015

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 2015 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 2015 and any public announcements made by Onterran 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.

a. Significant accounting policies

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2015.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements.

b. Critical accounting judgements, estimates and assumptions

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results. The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2015.

The only exception is the estimate of the provision for doubtful debts which was released in profit and loss in the period. It was determined in the interim financial statements that no provision was required and all trade receivables recorded were fully recoverable.

Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2015

Note 2. Segment information

Segments as reported within the business from 1 July 2015

The Board considers the business from a product perspective and has identified 3 reporting segments. Modular (formerly Transportables) consists 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:	Modular $'000	Construction $'000	Rental $'000	Total $'000
2015				
Total segment revenue	8,850	114,196	287	123,333
Inter-segment sales	-	-	-	-
Segment revenue from external customers	**8,850**	**114,196**	**287**	**123,333**
Segment EBITDA	277	967	59	1,303
Segment assets (at 31 December 2015)	12,337	49,940	10,768	73,045
Segment liabilities (at 31 December 2015)	3,413	41,994	558	45,965
2014				
Total segment revenue	10,298	-	224	10,522
Inter-segment sales	-	-	(2)	(2)
Segment revenue from external customers	**10,298**	**-**	**222**	**10,520**
Segment EBITDA	(15,902)	-	(5,067)	(20,969)
Segment assets (at 30 June 2015)	11,613	45,019	10,456	67,088
Segment liabilities (at 30 June 2015)	2,862	37,637	271	40,770

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

Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2015

Note 2. Segment information (Cont…)

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

	Half-year	
	2015 $'000	2014 $'000
Total segment EBITDA	1,303	(20,969)
Revenue not attributable to operating segments	-	(36)
Interest revenue	72	36
Finance costs	(69)	(41)
Depreciation and amortisation	(428)	(224)
Consultants and legal expenses	(127)	(165)
Employee benefits expense	(106)	(381)
Other expenses	(324)	(244)
Operating profit / (loss) before income tax for continuing operations	321	(22,024)

A reconciliation of segment assets to total assets is provided as follows:

	31 December 2015 $'000	30 June 2015 (re-stated) $'000
Total segment assets	73,045	67,088
Inter-segment eliminations	(15,183)	(13,719)
Current tax asset	202	62
Non-segment assets	6,488	7,949
Total assets per statement of financial position	64,552	61,380

A reconciliation of segment liabilities to total liabilities is provided as follows:

	31 December 2015 $'000	30 June 2015 (re-stated) $'000
Total segment liabilities	45,965	40,770
Inter-segment eliminations	(15,183)	(13,719)
Non-segment liabilities	17,219	19,474
Total liabilities per statement of financial position	48,001	46,525

Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2015

Note 3. Discontinued operation

In June 2012 the transportable operations of Nomad Modular Building Pty Ltd were discontinued.

In June 2013 the operations of Rapley Wilkinson were discontinued.

In December 2013 the operations of Nomad Eastern States were discontinued. This business was sold during the half year ended 31 December 2015.

	Half-year	
Results of discontinued operations	2015	2014
	$'000	$'000
Revenue	302	131
Expenses	(162)	(1,312)
(Loss) before income tax expense	140	(1,181)
Income tax benefit/(expense)	-	-
Profit/(loss) after income tax of discontinued operations	140	(1,181)
Loss on sale of assets	(120)	-
Gain on sale of subsidiary	903	-
Gain/(loss) for half-year	923	(1,181)

	Half-year	
Results of discontinued operations	2015	2014
	$'000	$'000
Cash flows (used in) / from discontinued operations		
Net cash from/ (used in) operating activities	(351)	50
Net cash from investing activities	-	-
Net cash (used in) / from financing activities	351	-
	-	50

Results of discontinued operations	31 December 2015 $'000	30 June 2015 $'000
Cash held in trust	643	-
Receivables	270	14
Inventories	-	247
Property, plant and equipment	482	1,725
Total assets	1,395	1,986
Payables	298	150
Loans from related parties	680	1,254
Provisions	86	2,789
Total liabilities	1,064	4,193
Net assets / (liabilities)	331	(2,207)

Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2015

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 2015				
Opening net book amount	76	2,612	831	3,519
Acquisition through business combination	-	-	262	262
Additions	-	-	143	143
Disposals	(63)	(162)	(431)	(656)
Transfer to/ (from) assets held for resale	-	(316)	-	(316)
Impairment charge	-	(118)	-	(118)
Depreciation charge	(4)	(292)	(189)	(486)
Closing net book amount	**9**	**1,723**	**616**	**2,348**
At 30 June 2015				
Cost or fair value	19	2,056	1,272	3,347
Accumulated depreciation	(10)	(333)	(656)	(999)
Net book amount	**9**	**1,723**	**616**	**2,348**
Period ended 31 December 2015				
Opening net book amount	9	1,723	616	2,348
Additions	-	689	170	859
Disposals	(8)	(583)	-	(591)
Depreciation charge	(1)	(69)	(114)	(184)
Closing net book amount	**-**	**1,760**	**672**	**2,432**
At 31 December 2015				
Cost or fair value	-	2,162	1,442	3,604
Accumulated depreciation	-	(402)	(770)	(1,172)
Net book amount	**-**	**1,760**	**672**	**2,432**

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Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2015

Note 5. Non-current assets – investment property

	31 Dec 2015 $'000	30 June 2015 $'000
Opening net book amount	536	2,541
Additions	-	11
Depreciation charge	(34)	(138)
Impairment	-	(1,878)
	502	536

Note 6. Non-current assets held for sale

	31 Dec 2015 $'000	30 June 2015 $'000
Opening net book amount	1,716	1,800
Additions (note 4)	-	316
Disposals	(856)	-
Impairment	(78)	(400)
Closing net book amount	782	1,716

Note 7. Acquisition of subsidiary

During the year ended 30 June 2015 the Group acquired 100% of the shares and voting interests in Bloomer Constructions (Qld) Pty Ltd (BCQ). The results of BCQ have been consolidated from 1 March 2015 which was the deemed date of effective control.

As set out in Note 17 to the Groups 2015 Annual Report, the accounting for the acquisition of BCQ at 30 June 2015 was provisional. In accordance with accounting standards new information obtained within one year of the acquisition date about facts and circumstances that existed at the acquisition date has led to revisions to the acquisition accounting. In adopting this revised accounting the Group has restated the Statement of Financial position at 30 June 2015.

As set out below, the revisions to the accounting are two-fold and impact upon:

1. The consideration transferred and the settlement net asset adjustment; and
2. The fair value of the assets acquired and liabilities assumed, and consequently goodwill.

Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2015

Note 7. Acquisition of Subsidiary (Cont…)

Consideration transferred

Purchase Consideration	$'000 *Provisional*	$'000 *Re-stated*
Cash paid	1,500	1,500
Equity instruments (88,000,000 ordinary shares)	5,368	5,368
Deferred consideration	2,003	2,003
Settlement net asset adjustment	(198)	(2,260)
Total Purchase Consideration	**8,673**	**6,611**

The settlement net asset adjustment is a mechanism within the Share Purchase Agreement that provided for an adjustment to the purchase consideration by the amount by which the net assets of BCQ differed from $5.0m on the transaction completion date. The provisional net asset adjustment was $198,000 payable by the vendor to the Group. This provisional sum has subsequently been revised to $2,260,000 payable to the Group following a change to the BCQ work in progress at the completion date. The net asset adjustment sum is included within Trade and Other Receivables in the Statement of Financial Position.

Identifiable assets acquired and liabilities assumed
The following table summarises the recognised amounts of assets acquired and liabilities assumed at the acquisition date.

Purchase Consideration	$'000 *Provisional*	$'000 *Re-stated*
Cash & cash equivalents	3,747	3,747
Cash held in trust	820	820
WIP & Inventory	6,783	2,994
Trade & other receivables	12,714	12,714
Property, plant & equipment	262	262
Trade & other payables	(18,368)	(18,368)
Loans and borrowings	(1,101)	(1,101)
Current taxation liability	(56)	83
Fair value customer order book	978	766
Provision for onerous contracts	-	(3,515)
Fair value brand name	-	1,528
Fair value customer relationships	-	1,002
Net identifiable assets acquired	**5,779**	**932**
Add: Goodwill	**2,894**	**5,679**
Net assets acquired	**8,673**	**6,611**

Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2015

Note 7. Acquisition of Subsidiary (Cont…)

Net assets acquired have reduced from $8,673,000 to $6,611,000 and the purchase consideration has been reduced accordingly.

The following table sets out the movement in the affected acquisition assets and liabilities.

	WIP & inventory $'000	Current taxation $000	Fair value customer order book $'000	Provision for onerous contracts $'000	Goodwill $'000	Other intangibles $'000
Provisional acquisition balance	**6,783**	**(56)**	**978**	**-**	**2,894**	**-**
Measurement period adjustment						
- retention adjustment	(2,201)	-	-	-	-	-
- onerous contract provision adjustment	(1,588)	-	(212)	(3,515)	-	-
- goodwill adjustment	-	-	-	-	2,785	
- identifiable intangible – brand	-	-	-	-	-	1,528
- identifiable intangible - customer relationships	-	-	-	-	-	1,002
Tax impact of adjustments	-	139	-	-	-	-
Re-stated acquisition balance	**2,994**	**83**	**766**	**(3,515)**	**5,679**	**2,530**

Measurement period adjustment

In accordance with relevant accounting standards, the completion of the provisional accounting resulted in measurement period adjustments related to matters concerned where the facts and circumstances existed at the acquisition date. If the matters had been known at the time, the information would have affected the acquisition accounting. As a result, the current half year financial report has disclosed a revision to the acquisition accounting previously disclosed for the following account balances.

- The retention adjustment for $2,201,000 arises following an error in the provisional calculation of BCQ work in progress at acquisition date. This error existed at acquisition date but was identified in the current period during the work to finalise the acquisition accounting. The purchase consideration for the acquisition has been reduced commensurate with this adjustment.
- The onerous contract provision adjustment for $5,315,000 arises due to the measurement period identification of project budget pricing errors which existed at acquisition date. For projects identified with budget errors which were also included within work in progress, the work in progress for these projects has been reduced by the amount of $1,588,000. A provision of $212,000 was raised against projects identified within the fair value of customer order book. For projects which did not yet have a work in progress balance, a provision for onerous contracts was recorded for the amount of $3,515,000.

Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2015

Note 7. Acquisition of Subsidiary (Cont…)

- An external valuation and allocation of the purchase price resulted in the recognition of a number of specific identifiable intangible assets (and the deferred tax impact thereon) as outlined above which has impacted the previously stated balance of goodwill. This resulted in a reallocation of goodwill to specific identifiable intangible assets of Brand $1,528,000 and Customer Relationships of $1,002,000, (refer note 8 for more details).

Goodwill

Goodwill is attributable mainly to the design and construction expertise of the BCQ workforce and the synergies and cross-selling opportunities to be achieved from integrating BCQ into the Group's existing business operations. None of the goodwill recognised is expected to be deductible for tax purposes upon any future sale of the business.

Testing for impairment of goodwill is carried out on an annual basis according to each business segment. Construction goodwill was tested for impairment at 30 June 2015 and management were satisfied that no impairment was necessary as at that date.

Following the revision to the carrying value of goodwill arising on acquisition of BCQ, construction goodwill was re-tested for impairment at 31 December 2015. Management are satisfied that no impairment is necessary as at the reporting date (see Note 8 for further information).

Other intangibles

(a) Brand

The brand intangible asset has been recognised following a measurement period assessment of the value of the Bloomer Constructions (Qld) Pty Ltd business name undertaken by third party specialists.

(b) Customer relationships

The customer relationships intangible asset arises following a measurement period assessment of the level of repeat business historically achieved by BCQ. The valuation of the customer relationships intangible asset was undertaken by third party specialists.

Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2015

Note 8. Non-current assets – intangible assets

Year to 30 June 2015 (Re-stated)	Goodwill (re-stated) $'000	Brand Name (re-stated) $'000	Customer Relationships (re-stated) $'000	Development Costs $000	Other (re-stated) $'000	Total $'000
Opening net book amount at 1 July 2014	16,416	-	-	-	-	16,416
Acquisitions through business combinations	5,679	1,528	1,002	-	766	8,975
Impairment charge	(15,116)	-	-	-	-	(15,116)
Amortisation	-	-	-	-	(766)	(766)
Closing net book amount at 30 June 2015	**6,979**	**1,528**	**1,002**	**-**	**-**	**9,509**
At 30 June 2015						
Cost or fair value	94,536	1,528	1,002	-	766	97,832
Accumulated amortisation and impairment	(87,557)	-	-	-	(766)	(88,323)
Net book amount at 30 June 2015	**6,979**	**1,528**	**1,002**	**-**	**-**	**9,509**
Period 31 December 2015						
Opening net book amount at 1 July 2015	6,979	1,528	1,002	-	-	9,509
Acquisitions – internally developed	-	-	-	80	-	80
Impairment charge	-	-	-	-	-	-
Amortisation	-	(76)	(50)	-	-	(126)
Closing net book amount at 31 December 2015	**6,979**	**1,452**	**952**	**80**	**-**	**9,463**
At 31 December 2015						
Cost or fair value	94,536	1,528	1,002	80	766	97,912
Accumulated amortisation and impairment	(87,557)	(76)	(50)	-	(766)	(88,449)
Net book amount at 31 December 2015	**6,979**	**1,452**	**952**	**80**	**-**	**9,463**

Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2015

Note 8. Non-current assets – intangible assets (cont…)

Goodwill

(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 Dec 2015 $'000	30 June 2015 (re-stated) $'000
Modular (formerly Transportables)	1,300	1,300
Construction	5,679	5,679
Closing net book amount	6,979	6,979

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 five years 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. Modular segment goodwill was last tested for impairment at 30 June 2015 and no impairment was deemed necessary. Following the revision to the accounting for the acquisition of BCQ the construction segment goodwill has been tested for impairment at 31 December 2015.

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

A 2.5% growth rate has been assumed in the model, and stable margins have been assumed over the five year period. The discount rate of 20% is based on general construction industry rates of return adjusted for a risk premium relating to the Group's specific risk profile.

(c) Impact of possible changes in key assumptions

The recoverable amount of the goodwill of the Construction CGU exceeds the carrying amount of goodwill at 31 December 2015. The discount rate applied to the cashflow projections would have to be 45% or the actual EBITDA achieved would have to be at least 49% below the forecasted amount for each year before the recoverable amount of goodwill would equal the carrying amount for the Construction CGU. Management does not consider it reasonably likely that a change in any of the key assumptions would result in the need to impair goodwill.

(d) Impairment charge

As a result of the above impairment testing process, no impairment charge (2014: nil) has been brought to account in the current period as an impairment charge against the Group's Construction segment.

Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2015

Note 8. Non-current assets – intangible assets (cont…)

Other Intangibles

Brand and customer relationships were acquired as part of the acquisition of BCQ (see Note 7 for details). They are recognised at their fair value at the date of acquisition based on an external valuation and are subsequently amortised on a straight line basis over ten years which is their estimated useful life.

Note 9. Borrowings

Borrowings at 31 December 2015 represent a $1.5m rolling trade finance facility with National Australia Bank secured by a general security interest over the assets of the Group and $440,000 for insurance premium funding.

Secured bank borrowings at 30 June 2015 ($3.1m) were repaid during the course of the half year ended 31 December 2015.

Contractual maturities of financial liabilities:

Non-derivatives as at 31 Dec 2015	Less than 6 months $'000	Between 6 – 12 months $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Total contractual cash flows $'000	Carrying amt (assets)/ liabilities $'000
Trade payables	36,896	-	-	-	36,896	36,896
Borrowings (excl. finance lease liability)	1,877	63			1,940	1,940
Deferred consideration		-	2,497	-	2,497	2,497
Finance lease liability	46	46	123	-	215	215
	38,819	**109**	**2,620**	**-**	**41,548**	**41,548**
Non-derivatives as at 30 Jun 2015						
Trade payables	30,623	-	-	-	30,623	30,623
Borrowings (excl. finance lease liability)	3,077	-	-	-	3,077	3,077
Deferred consideration	-	-	-	2,348	2,348	2,348
Finance lease liability	30	31	61	41	163	163
	33,730	**31**	**61**	**2,389**	**36,211**	**36,211**

Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2015

Note 10. Provisions

Current	31 Dec 2015 $'000	30 June 2015 (re-stated) $'000
Employee benefits	272	325
Contractual disputes	56	596
Subcontractor superannuation	150	749
Onerous lease	-	651
Provision for onerous contracts	544	3,515
Other	30	136
	1,052	5,972

During the half year ended 31 December 2015 Nomad Eastern States Pty Ltd was sold resulting in the de-recognition of the onerous lease in respect of its premises at Wacol, Brisbane.

Following a full review the Group has released to profit and loss $599,000 of legacy superannuation provisions during the half year ended 31 December 2015.

The provision for onerous contracts represents the fair value adjustment recognised in accounting for the BCQ transaction (Note 7).

Non-current	31 Dec 2015 $'000	30 June 2015 (re-stated) $'000
Onerous lease	-	1,445
Employee benefits – long service leave	48	24
	48	1,469

During the half year ended 31 December 2015 Nomad Eastern States Pty Ltd was sold resulting in the de-recognition of the onerous lease in respect of its premises at Wacol, Brisbane.

Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2015

Note 11. Earnings per share

	Half-year	
	2015 Cents	2014 Cents
Basic earnings / (loss) per share		
From continuing operations	0.07	(7.9)
From discontinued operations	0.20	(0.4)
Total basic earnings / (loss) per share	**0.27**	(8.3)
Diluted earnings / (loss) per share		
From continuing operations	0.07	(7.9)
From discontinued operations	0.19	(0.4)
Total diluted earnings / (loss) per share	**0.26**	(8.3)
	Number	Number
Weighted average number of shares used as the denominator in calculating basic earnings per share	**459,727,417**	279,891,497

Note 12. Related Parties

Included in work in progress at 31 December 2015 was $811,647 in respect of BCQ construction contracts in progress for which the related contracting parties were entities controlled by Wayne Bloomer. These contracts pre-date the acquisition of BCQ by the Company and are being completed as per the related contracts which are on an arm's length basis.

Included within Trade Creditors at 31 December 2015 is $1,347,206 in respect of loans granted by entities controlled by Wayne Bloomer. These loans relate to funding provided prior to acquisition, are repayable on demand and do not attract interest.

Rent charges totaling $53,900 were paid to entities controlled by Wayne Bloomer for the use of office premises for the period 1 July 2015 to 31 December 2015. The related rental contracts are on an arm's length basis.

Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2015

Note 13. Contingent liabilities

Contingent instruments

The Group had outstanding guarantees to the value of $3,769,988 (30 June 2015: $5,145,717). 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 14. Events subsequent to reporting date

During February 2015, McGrath Modular secured an exclusive supply contract for 181 houses into Meadowbrook Lifestyle Estate at Boyanup, Western Australia. First delivery of houses is expected in the first half of the 2017 financial year. The total project value over an expected four year period is approximately $40 million.

On 29 February 2016 the Company announced its appointment as development partner for a substantial long term development of the Couran Cover resort on Stradbrooke Island, Queensland.

On 29 February 2016 the Company announced the resignation of Heather Gardner as CEO, effective immediately.

No other events or circumstances have arisen since 31 December 2015 that have significantly affected, or may significantly affect:

a) The Group's operations in future financial years;
b) The results of those operations in future financial years; or
c) The Group's state of affairs in future financial years.

Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2015

Note 15. 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.

In the directors' opinion:

1. The financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated 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 2015 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:

Lachlan McIntosh
Executive Chairman
Brisbane

29 February 2016

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ONTERRAN LIMITED (FORMERLY NOMAD BUILDING SOLUTIONS LIMITED)

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Onterran Limited (formerly Nomad Building Solutions Limited) ("the Company") and its controlled entities ("the consolidated entity"), which comprises the consolidated statement of financial position as at 31 December 2015, 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, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company 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 2015 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 Onterran Limited (formerly Nomad Building Solutions Limited) and its controlled entities, 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.

PKF Hacketts Audit
ABN 33 873 151 348

Level 6, 10 Eagle Street, Brisbane QLD 4000
GPO Box 1568, Brisbane QLD 4001
p +61 7 3839 9733
f +61 7 3832 1407

8 East Street, PO Box 862
Rockhampton QLD 4700
p +61 7 4927 2744
f +61 7 4927 4317

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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 Onterran Limited (formerly Nomad Building Solutions Limited) and its controlled entities 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 2015 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PKF HACKETTS

PKF HACKETTS AUDIT

Liam Murphy
Partner

Brisbane, 29 February 2016