



28 August 2013

Company Announcements  
ASX Limited  
Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir / Madam

**Re: Appendix 4E Preliminary Final Report**

The Directors of Tamawood Limited announce the financial results for the year ended 30 June 2013.

Find attached the Appendix 4E – Preliminary Final Report.

Yours faithfully

**Geoff Acton**  
Company Secretary

28 August 2013

### Successful Capital Management

The highlight of 2013 for Tamawood shareholders is the completion of the buy-back at the end of June 2012.

		\$'000	EPS	Weighted Average no. of Shares
Net Income After Tax	<b>2012</b>	8,397	21.37 cents	38,643,761
Adjusted for Profit Attributed to Ready to Occupy Sale to Lev Mizikovsky	<b>2012</b>	6,797	17.58 cents	38,643,761
Net Income After Tax	<b>2013</b>	4,970	19.44 cents	25,559,611

As per the table, if we had not undertaken the buy-back, the EPS for this year would have been 12.6 cents. Further, if you take out the one off profits attributed to the Ready to Occupy transaction to Lev Mizikovsky, the Tamawood business has performed exceptionally well in 2013 despite the deteriorating housing market.

### The Result

The result for the year was an after tax profit of \$4.970 million or 19.44 cents per share. This result enables us to pay a fully franked dividend of 13 cents per share which will be paid on 4 December 2013. This maintains the full year dividend at 21 cents per share fully franked. The board believes this is an excellent result in the current market conditions and Tamawood remains debt free with in excess of \$4.7 million in cash reserves.

As we predicted in last year's report Housing demand has remained weak for the 12 months to the end of June 2013. While there were some parts of the country that continued to do well, our main area of operation South East Queensland was particularly slow. The reasons for the slow market are mostly the same as last year, in particular the tightening in the banks' lending criteria and the overall difficult economy. We did not have the benefit of a large ready to occupy program, as we did last year, with most of the ready to occupy homes having been sold in the previous year and only a small number of ready to occupy homes settling in the 2012/2013 year.

### 2013/2014 Financial Year Outlook

The board expects an improvement in the market conditions over the next 12 months and in fact we have already seen a small increase in sales over the past 3 months. On the back of this the board has already announced guidance of 8 cents per share for the first half of the 2013/2014 Financial Year which is equivalent to the dividend paid in the corresponding period last Financial year.

**Robert Lynch**  
Chairman

## Appendix 4E – Preliminary Final Report

Name of Entity: **TAMAWOOD LIMITED**  
 ABN: **56 010 954 499**  
 Financial Year Ended: **30 June 2013**  
 Previous Corresponding Period: **30 June 2012**

### RESULTS FOR ANNOUNCEMENT TO THE MARKET

				<b>\$'000</b>
Revenue from ordinary activities	down	27.8%	to	95,086
Profit from ordinary activities after tax attributable to members	down	39.8%	to	4,970
Net profit attributable to members	down	39.8%	to	4,970

### DIVIDENDS

2012 Final dividend (paid 5 December 2012)  
 2013 Interim dividend (paid 5 June 2013)  
 TOTAL

	<b>Amount per security</b>	<b>Franking at 30% tax rate</b>	<b>Franked Amount per Security</b>
	13 cents	100%	13 cents
	8 cents	100%	8 cents
	<b>21 cents</b>	<b>100%</b>	<b>21 cents</b>

The final dividend for the 2013 year has not been declared at the date of this report. Tamawood Limited reaffirms that it will pay a fully franked dividend of 13 cents for the half year ended 30 June 2013, representing a full year dividend for the year ended 30 June 2013 of 21 cents.

### Dividend reinvestment plan

The dividend reinvestment plan has been suspended until further notice.

### KEY FINANCIAL PERFORMANCE INDICATORS

#### Net tangible asset backing

Net tangible assets per ordinary security

<b>2013</b>	<b>2012</b>
<b>33.34 cents</b>	34.87 cents

#### Earnings per security

Basic earnings per share (cents)

Diluted earnings per share (cents)

Weighted average number of shares

<b>19.44 cents</b>	21.37 cents
<b>19.44 cents</b>	21.37 cents
<b>25,559,611</b>	38,643,761

#### Profits before tax as % of revenue

Consolidated profit from continuing operations before tax as a percentage of revenue

#### Profit after tax as % of equity

Consolidated net profit after tax as a percentage of equity

<b>8.06%</b>	9.03%
<b>59.99%</b>	94.22%

### ADDITIONAL INFORMATION

#### Entities over which control has been lost or gained

Dixon NSW Pty Ltd was incorporated on 25 October 2012. Tamawood Limited controlled 77.5% of issued capital of Dixon NSW Pty Ltd from that date.

#### Associates and joint venture entities

Not applicable

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2013 \$'000s \$	2012 \$'000s \$
Revenue	95,086	131,372
Other income	-	261
Changes in inventories of finished goods and work in progress	(6,199)	(21,101)
Raw materials and consumables used	(71,047)	(87,577)
Employee benefits expense	(4,319)	(4,633)
Depreciation expense	(212)	(268)
Advertising	(1,733)	(1,914)
Consultancy	(1,359)	(677)
Fraud expense (insurance deductible)	(100)	-
Other expenses	(2,391)	(3,309)
Finance costs	(63)	(286)
<b>Profit before income tax</b>	<b>7,663</b>	<b>11,868</b>
Income tax expense	(2,550)	(3,471)
<b>Profit for the year</b>	<b>5,113</b>	<b>8,397</b>
<b>Other comprehensive income</b>		
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year</b>	<b>5,113</b>	<b>8,397</b>
<b>Profit attributable to:</b>		
Members of the parent entity	4,970	8,259
Non-controlling interest	143	138
	<b>5,113</b>	<b>8,397</b>
<b>Total comprehensive income attributable to:</b>		
Members of the parent entity	4,970	8,259
Non-controlling interest	143	138
	<b>5,113</b>	<b>8,397</b>

## NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

### Revenue and Other Income

#### Revenue from continuing operations

	Note	2013 \$'000s \$	2012 \$'000s \$
Sales revenue			
- Construction contract revenue	(a)	67,365	60,558
- Ready-to-Occupy homes	(b)	6,982	38,830
- Renewable energy certificates		18,664	30,000
- Franchise revenue		1,598	1,247
Other revenue			
- Interest revenue		108	108
- Dividends received		-	48
- Rental income		-	398
- Other items		369	183
<b>Total Revenue</b>		<b>95,086</b>	<b>131,372</b>
<b>Other Income</b>			
Other Income			
- Net gain on disposal of property, plant and equipment		-	261
<b>Total other income</b>		<b>-</b>	<b>261</b>

#### (a) Construction contract revenue

Construction contract revenue includes \$67.4m (2012: \$60.6m) of revenue recognised for residential construction which are accounted for as agreements for the sale of goods on a continuous basis using the percentage of completion method.

#### (b) Ready-to-Occupy

Included in 'Ready-to-Occupy' revenues of \$6.9m (2012: \$38.8m) is an amount of \$3.6m (2012: \$13.4m) for the sale of 'Ready-to-Occupy' homes to interests associated with Mr Lev Mizikovsky.

### Expenses

The result for the year includes the following specific expenses:

	2013 \$'000s \$	2012 \$'000s \$
Defined contribution plan expenses	317	365
Net loss on disposal of property, plant and equipment	19	-
Rental expense on operating leases		
- minimum lease payments	465	273

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2013 \$'000s \$	2012 \$'000s \$
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	4,732	1,641
Trade and other receivables	4,885	6,424
Inventories	8,384	14,582
Other assets	49	254
<b>Total Current Assets</b>	<b>18,050</b>	<b>22,901</b>
<b>Non-Current Assets</b>		
Property, plant and equipment	520	574
<b>Total Non-Current Assets</b>	<b>520</b>	<b>574</b>
<b>TOTAL ASSETS</b>	<b>18,570</b>	<b>23,475</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade and other payables	7,429	11,313
Provisions	259	365
Current tax liabilities	1,245	1,082
<b>Total Current Liabilities</b>	<b>8,933</b>	<b>12,760</b>
<b>Non-Current Liabilities</b>		
Provisions	285	285
Deferred tax liabilities	831	1,518
<b>Total Non-Current Liabilities</b>	<b>1,116</b>	<b>1,803</b>
<b>TOTAL LIABILITIES</b>	<b>10,049</b>	<b>14,563</b>
<b>NET ASSETS</b>	<b>8,521</b>	<b>8,912</b>
<b>EQUITY</b>		
Issued capital	407	407
Retained earnings	7,885	8,283
<b>Total equity attributable to equity holders of Tamawood Limited</b>	<b>8,292</b>	<b>8,690</b>
Non-controlling interest	229	222
<b>TOTAL EQUITY</b>	<b>8,521</b>	<b>8,912</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

	2013 \$'000s \$	2012 \$'000s \$
<b>Cash flows from operating activities</b>		
Receipts from customers (including GST)	113,754	124,040
Payments to suppliers and employees (including GST)	(102,130)	(113,023)
Dividends received	-	48
Interest received	108	106
Interest paid	(63)	(286)
Income tax paid	(2,844)	(3,096)
Net cash from operating activities	<b>8,825</b>	<b>7,789</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	71	70
Payments for property, plant and equipment	(247)	(354)
Loans to related parties - payments made	(40)	-
Net cash used by investing activities	<b>(216)</b>	<b>(284)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares by controlled entities to non-controlling interests	67	-
Share buy-back payment (cash component)	-	(495)
Repayment of borrowings	-	(5,000)
Dividends paid by parent entity	(5,368)	(8,260)
Dividends paid by controlled entities to non-controlling interests	(200)	-
Shares bought back by controlled entities from non-controlling interests	(17)	-
Net cash used by financing activities	<b>(5,518)</b>	<b>(13,755)</b>
Net increase (decrease) in cash and cash equivalents	<b>3,091</b>	<b>(6,250)</b>
Cash and cash equivalents at beginning of year	<b>1,641</b>	<b>7,891</b>
<b>Cash and cash equivalents at end of financial year</b>	<b>4,732</b>	<b>1,641</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

2013

	Contributed Equity \$'000s \$	Retained Earnings \$'000s \$	Asset Revaluation Surplus \$'000s \$	Total \$'000s \$	Non-control ling Interests \$'000s \$	Total \$'000s \$
<b>Balance at 1 July 2012</b>	407	8,283	-	8,690	222	8,912
<b>Comprehensive income for the year</b>						
Profit for the year	-	4,970	-	4,970	143	5,113
Other comprehensive income for the year	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	4,970	-	4,970	143	5,113
<b>Transactions with owners in their capacity as owners</b>						
Shares issued during the year	-	-	-	-	81	81
Shares bought back during the year	-	-	-	-	(17)	(17)
Dividends paid or provided for	-	(5,368)	-	(5,368)	(200)	(5,568)
	-	(5,368)	-	(5,368)	(136)	(5,504)
<b>Balance at 30 June 2013</b>	407	7,885	-	8,292	229	8,521

2012

<b>Balance at 1 July 2011</b>	28,714	6,655	1,629	36,998	-	36,998
<b>Comprehensive income for the year</b>						
Profit for the year	-	8,259	-	8,259	138	8,397
Other comprehensive income for the year	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	8,259	-	8,259	138	8,397
<b>Transactions with owners in their capacity as owners</b>						
Transfer to retained earnings on disposal of land and buildings	-	1,629	(1,629)	-	-	-
Shares issued during the year	-	-	-	-	84	84
On-market share buy-back	(28,307)	-	-	(28,307)	-	(28,307)
Dividends paid or provided for	-	(8,260)	-	(8,260)	-	(8,260)
	(28,307)	(6,631)	(1,629)	(36,567)	84	(36,483)
<b>Balance at 30 June 2012</b>	407	8,283	-	8,690	222	8,912



## SEGMENT INFORMATION

	Construction QLD		Construction NSW		Ready-to-Occupy		Franchises		Renewable Energy		Total	
	2013 \$'000s	2012 \$'000s	2013 \$'000s	2012 \$'000s	2013 \$'000s	2012 \$'000s	2013 \$'000s	2012 \$'000s	2013 \$'000s	2012 \$'000s	2013 \$'000s	2012 \$'000s
<b>Revenue</b>												
Revenue from external customers	67,381	60,558	10	-	7,048	39,244	1,625	1,263	18,663	30,001	94,727	131,066
Inter-segment revenue	139	7,062	-	-	-	536	1,495	1,041	-	-	1,634	8,639
Interest revenue	73	58	-	-	-	15	7	5	1	11	81	89
<b>Total segment revenue</b>	<b>67,593</b>	<b>67,678</b>	<b>10</b>	<b>-</b>	<b>7,048</b>	<b>39,795</b>	<b>3,127</b>	<b>2,309</b>	<b>18,664</b>	<b>30,012</b>	<b>96,442</b>	<b>139,794</b>
<b>Net profit/(loss) before tax</b>	<b>5,815</b>	<b>3,745</b>	<b>(26)</b>	<b>-</b>	<b>792</b>	<b>5,719</b>	<b>1,127</b>	<b>592</b>	<b>564</b>	<b>777</b>	<b>8,272</b>	<b>10,833</b>
Depreciation	101	96	1	-	1	109	94	38	4	2	201	245
<b>Segment assets</b>												
Total segment assets	18,796	17,567	2,257	-	837	6,655	1,975	1,519	2,196	5,487	26,061	31,228
Intersegment eliminations											(7,830)	(10,306)
<b>Other unallocated assets</b>												
- Cash and cash equivalents											219	447
- Trade and other receivables											101	1,887
- Property, plant and equipment											15	48
- Other amounts											4	3
<b>Total assets per consolidated statement of financial position</b>											<b>18,570</b>	<b>23,307</b>
<b>Segment liabilities</b>												
Total segment liabilities	7,726	8,048	1,975	-	2,602	8,091	803	636	1,919	4,943	15,025	21,718
Intersegment eliminations											(3,278)	(6,247)
<b>Other unallocated liabilities</b>												
- Current tax liabilities											(1,686)	(603)
- Deferred tax liabilities											(7)	(401)
- Other amounts											(5)	(72)
<b>Total liabilities per consolidated statement of financial position</b>											<b>10,049</b>	<b>14,395</b>

## **AUDIT & COMPLIANCE STATEMENT**

This preliminary final report is based on financial statements which are in the process of being audited. The financial report is not likely to be the subject of dispute or qualification.

This report, and the financial statements upon which it is based, use the same accounting policies.