



15 September 2014

ASX Announcement

Tamawood Investor Presentation

Sydney and Melbourne Australia, 15 September 2014 – Tamawood Limited (ASX: TWD) is pleased to release a copy of the presentation that Mr Robert Lynch, Chairman and Managing Director, Mr Tim Bartholomaeus will deliver to investors during the week commencing 15 September 2014.

The updated presentation:

- Provides a snapshot of the performance of Tamawood Limited for the financial year ended 30 June 2014 and some commentary on the historical sales of the Group. Also included is a current trends and dividend guidance for Tamawood Limited and market outlook for 2015.

Company

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Tamawood Limited Investor Presentation

September 2014



The logo for Tamawood Limited, featuring a stylized blue mountain range above the word "Tamawood" in a bold, sans-serif font. The word "LIMITED" is written in a smaller, blue, sans-serif font above the "ood" part of "Tamawood".
Tamawood LIMITED
www.tamawood.com.au

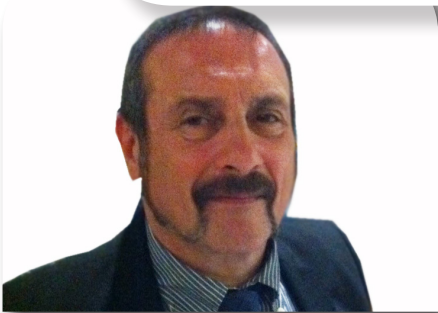
The Board Tamawood Limited



**Chairman
Robert Lynch**



**Managing Director
Tim Bartholomaeus**



**Non-Executive Director
Lev Mizikovsky**



**Non-Executive Director
Andrew Thomas**



**Non-Executive Director
Rade Dudurovic**

**Company Secretary
Geoff Acton**

**General Manager Dixon
Sydney
Paul Hogan**

**Franchisee Manager
Peter Souter-Robertson**



- **Interim dividend guidance FY15 increase of 25% to 10 cents fully franked.**

Reasons

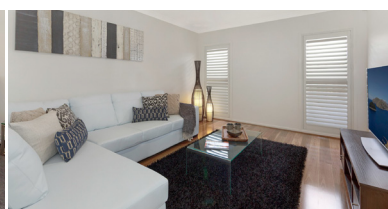
- Sales up
- Gross margins up

- Target dividend payout ratio of 80% to be restored in the near future.
- Statutory Net Profit after Tax for FY14 of \$5.068 million, despite a \$1.9 million drop in construction revenue compared to FY13.
- An increase of 37.5% in South East Queensland sales in FY14 compared to FY13. The positive impact of this sales increase will flow into FY15.
- Fully franked final dividend of 13 cents per share delivered and payable on 4 December 2014.
- Strong balance sheet with no debt and capacity to fund further acquisitions and establish operations in Melbourne.
- EPS of 19.76 cents (2013: 19.44 cents).



Key Highlights And Outlook-FY15

Queensland Sales	<ul style="list-style-type: none"> • 37.5% increase in sales for FY14 compared to FY13. • 440 sales for FY14. • 199 currently under construction.
• South East Queensland Sales Offices	<ul style="list-style-type: none"> • Two new sales offices established. • 7 South East Queensland sales offices.
• Franchise Operations	<ul style="list-style-type: none"> • Increase of 18.75% to 18 franchise outlets in FY14. • A further 6 proposed new franchises expected for FY15.
• Sydney	<ul style="list-style-type: none"> • 50 sales in first year of operation of which only 14 completed. • An additional 80 sales expected for FY15. • 51 builds will be completed in FY15 with a further 30 builds possible subject to land registration.
• Melbourne Operations	<ul style="list-style-type: none"> • Establish operations like New South Wales (75% ownership by Tamawood Limited). • Expected set up costs minimal on overall Group result for FY15.
• Strong Balance Sheet	<ul style="list-style-type: none"> • NTA of \$8.2 million. • 0% gearing. • \$6.472 million generated from net operating cashflows.
• Dividend Policy	<ul style="list-style-type: none"> • Fully franked final dividend of 13 cents payable on 4 December 2014 (21 cents FY14). • Fully franked interim dividend increase of 25% or 10 cents proposed for 1HFY15.
• Board Composition	<ul style="list-style-type: none"> • Appointment of Tim Bartholomaeus to Managing Director. • Over 100 years of building experience on the Board.



Financial Performance

	1HY14 (\$m)	1HY13 (\$m)
Revenue	81.1	96
Statutory net profit before tax	7.3	7.6
Tax	(2.2)	(2.5)
Statutory profit after tax	5.1	5.1
EPS	19.76	19.44
Dividend	21 cents	21 cents



Performance

Balance Sheet	1HY14 (\$m)	FY13 (\$m)
Assets		
Cash	5.6	4.7
Receivables	2.7	4.9
Inventories	7.8	8.3
Other	1.4	1
Total Assets	17.5	18.9
Liabilities		
Trade and other payables	6	7.4
Other	3.3	3.1
Total Liabilities	9.3	10.4
Net Assets	8.2	8.5



Performance

Performance	2012/13	2013/14	Change (%)
Approvals South East Queensland	321	440	37.5% increase
Approvals Sydney	0	50	100% increase
Approvals Franchise	245	257	4.89% increase
Revenue Building South East Queensland (\$M)	67	65	14.7% decrease
Revenue Other (\$M)	28	16	
Gross Profit (\$M)	7.6	7.3	4% decrease
Profits Before Tax as % of Revenue	8	9	12% increase



Market Outlook

Outlook – Housing Starts Detached Houses – Thousand Starts *

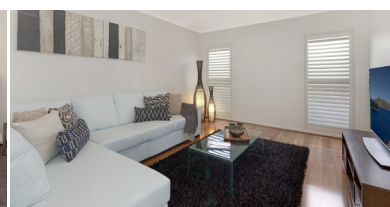
		Houses (,000)	Change (%)
• South East Queensland	2013/14	19.32	
	2014/15	22.25 (F)	15% (F)
	2015/16	24.49 (F)	10 (F)
	2016/17	25.68 (F)	5% (F)
• New South Wales	2013/14	20.82	
	2014/15	21.21 (F)	2% (F)
	2015/16	21.66 (F)	2% (F)
	2016/17	21 (F)	-3% (F)
• Melbourne	2013/14	29.69	
	2014/15	29.84 (F)	1% (F)
	2015/16	29.87 (F)	0% (F)
	2016/17	30.46 (F)	2% (F)

* Statistics have been obtained from HIA

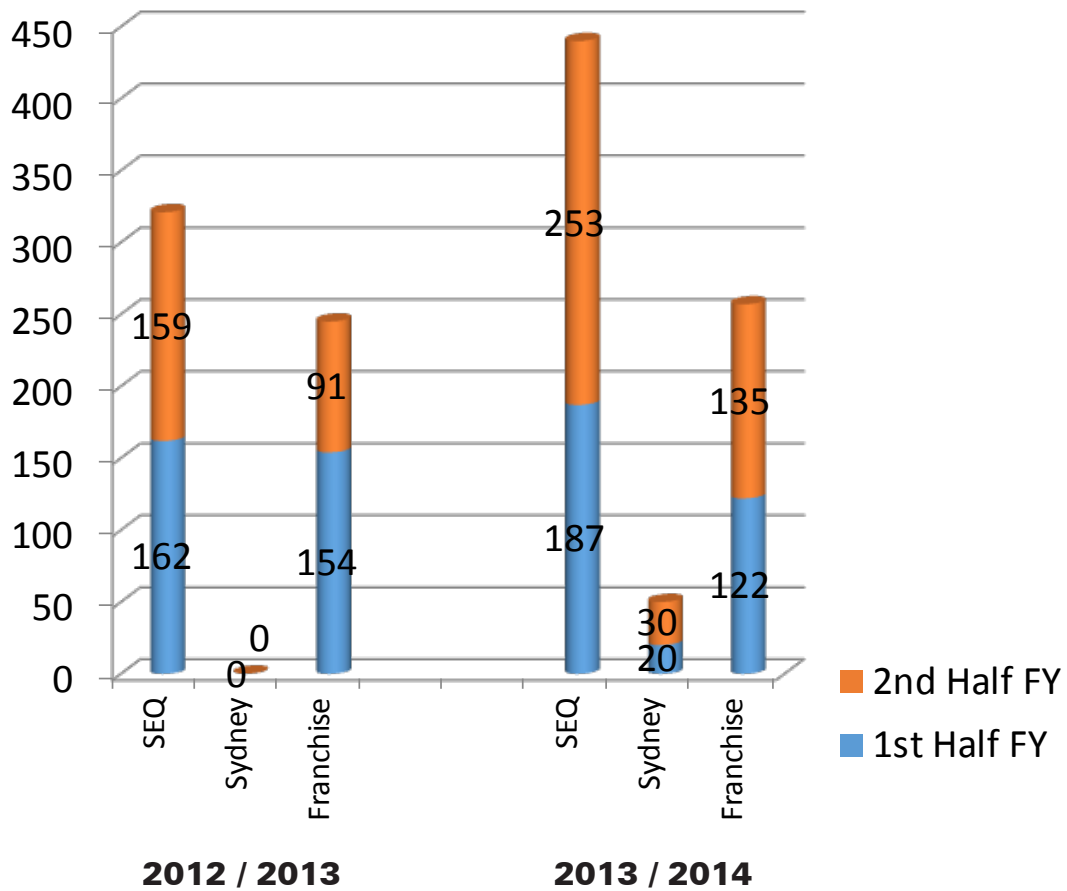
(F) - Forecast

Tamawood Limited Sales Outlook FY15

- | | |
|-------------------------|---|
| • South East Queensland | • Current sales trends are in line with HIA forecasts. |
| • Dixon New South Wales | • Our growth is not comparable to market as we enter a development phase in year 2 of operations. |
| • Dixon Melbourne | • We cannot make any sales predictions as we establish operations in FY15. |



Sales History by Halves

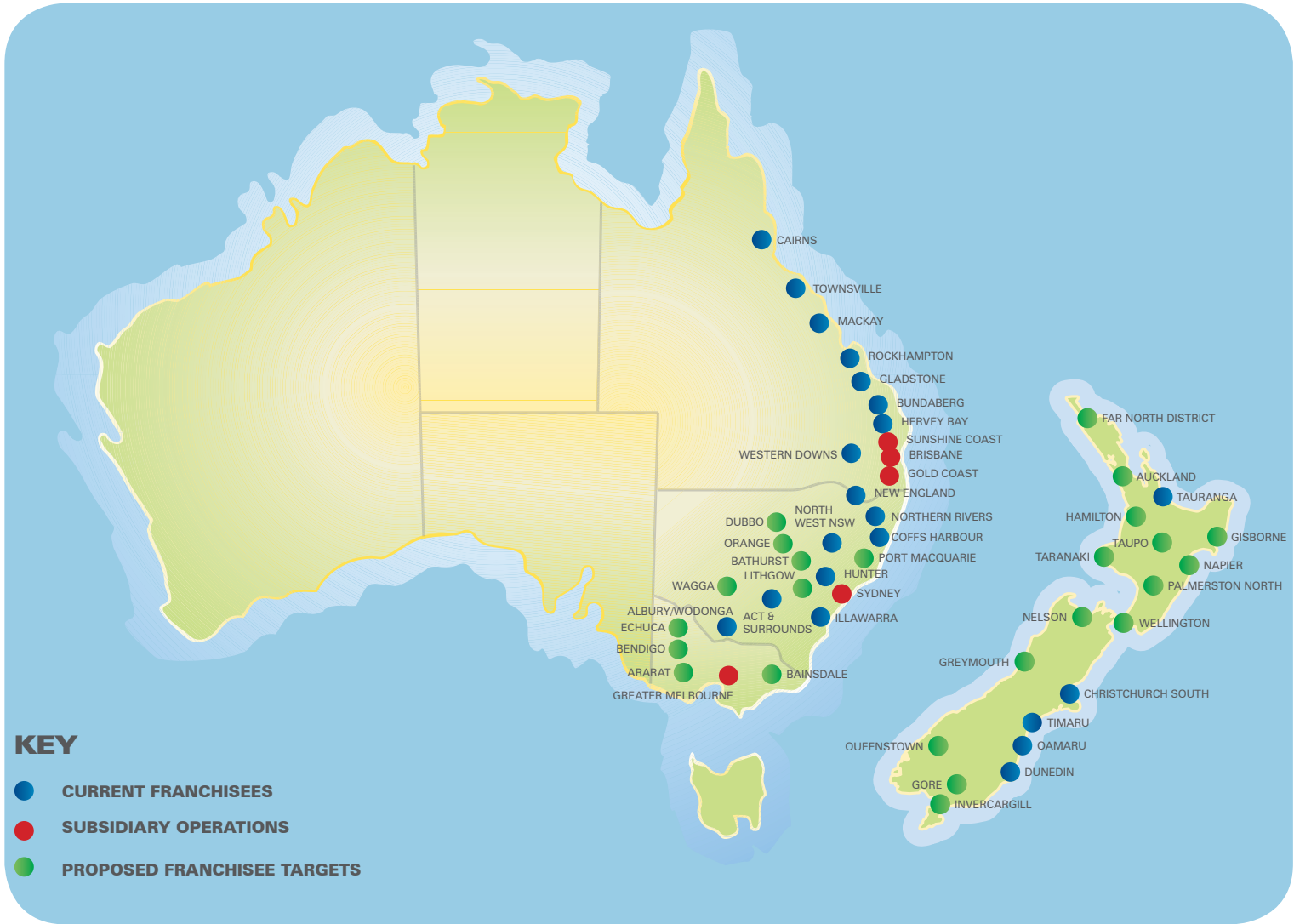


Cash Flow

	FY14 (\$,000)
Cash flows from operating activities	
Receipts from customers (inc. of GST)	93,586
Payments to suppliers and employees (inc. GST)	(84,795)
Cash generated from operating activities	8,791
Interest received	197
Interest paid	(3)
Income tax paid	(2,513)
Net cash (outflow) / inflow from operating activities	6,472
Cash flows from investing activities	
Payments for PPE	(295)
Proceeds from sale of PPE	43
Proceeds from disposal of interest in subsidy	10
Loans to related parties – proceeds from repayments	40
Net cash (outflow) / inflow from investing activities	(202)
Cash flows from financing activities	
Dividends paid by entity	(5,368)
Net cash inflow / (outflow) from investing activities	(5,368)
Net (decrease) / increase in cash and cash equivalents	902
Cash and cash equivalents at the beginning of the financial year	4,732
Cash and cash equivalents at the end of the half year	5,634



Franchise Development FY15



Tamawood Limited's Competitive Advantage

What are the barriers to entry?

- The technology platform of Dixon Homes, bundled with its growing franchisee network.
- Long standing Dixon Homes brand.

Who are the suppliers?

- Material suppliers are the tier-1 players, such as CSR, Hanson, etc.
- Emphasis is on standardised, bulk purchasing to improve buying power.
- Building workforce are typically contracted, have been with Dixon Homes over the long term.

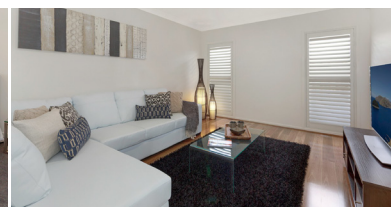
Who are the customers?

- 90% of sales to date has come from customers who own their own land.
- Customers are mostly second home buyers.
- Dixon not exposed to ownership of land holdings.
- Not exposed to first home buyers.

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DIXON HOMES
www.dixonhomes.com.au

Who are the competitors?

- All builders – both large and small.
- Detached home builders market is highly fragmented, with the top 100 builders working on only 44% of current annual housing starts.
- This figure is expected to increase over time as smaller builders struggle for capital.



Office Addresses

SOUTH EAST QUEENSLAND

1821 Ipswich Road, Rocklea QLD 4106



992 Gympie Road, Chermside QLD 4032

4424 Warrego Highway, Plainland QLD 4341

1/50 Lawrence Drive, Nerang QLD 4211

169 James St (cnr James & Neil) Toowoomba QLD 4350

684 Nicklin Way, Currimundi QLD 4551

2/5 River Road, Gympie QLD 4570

SYDNEY

168 Greenwood Parkway, Jordan Springs, Penrith NSW 2751

4 Hudson Avenue, Castle Hill NSW 2154

MELBOURNE

To be established



Office Addresses

Franchisees - QLD

CAIRNS

172-174 Mulgrave Rd, Wescourt,
QLD 4870

TOWNSVILLE

Unit 9, 508-518 Woolcock St, Townsville,
QLD 4810

ROCKHAMPTON

116 Lucas St, Gracemere,
QLD 4702

MACKAY

19c Juliet St, Mackay, QLD 4740

GLADSTONE

Shop 7/97 Hampton Dr, Tannum Sands,
QLD 4680

BUNDABERG

35 Enterprise St, Bundaberg,
QLD 4670

HARVEY BAY

42 Watson St, Pialba,
QLD 4655

WESTERN DOWNS

Unit 7/17 Enterprise St, Toowoomba
QLD 4350

Franchisees - VICTORIA

ALBURY WODONGA

14 Bassett St, Wodonga, VIC 3690

Franchisees - NSW

NEW ENGLAND

49 Roger St, Stanthorpe, QLD 4380

NORTHERN RIVERS

Unit 16/21 Enterprise Ave, Tweed Heads South
NSW 2486

NORTH-WEST NSW

2 Ring St, Inverell, NSW 2360

COFFS HARBOUR

101 West High St, Coffs Harbour NSW 2450

HUNTER

7-9 Bruncker Rd, Broadmeadows, NSW 2292

ILLAWARRA

158 Princess Highway, Albion Park Rail, NSW 2527

Franchisee - ACT

Unit 8/289 Canberra Ave, Fyshwick, ACT 2609

Franchisees - NEW ZEALAND

8 Corquet St, Oamaru, New Zealand 9400

100 Wingatui Rd, Mosgiel 9024

130 Newton St, Mt Maunganui South 3116

64 Carmen Rd, Hornby, Christchurch 8441

27 Sophia St, Timaru 7910



Disclaimer

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