

# To our Shareholders

Tamawood has maintained its earnings growth momentum and posted another record financial result for 2004.

For the year ended 30 June 2004, Tamawood recorded a net profit after tax of \$4.0 million, 12% higher than last year's result (2003: \$3.572 million).

The year's result represents earnings per share of 13.5 cents, and the Tamawood board has declared a fully franked final dividend of 5 cents per share payable 30 November 2004. This represents a total dividend for the year of 13 cents per share

The Company maintained a 9.6% share of the Queensland market based on volume.

Tamawood was ranked among Australia's top 10 house building companies in a recent HIA national survey.

Tamawood's industry-leading investment in technology-enabled systems and training enables it to cope efficiently and profitably with fluctuations in demand. The Company is well adapted to maintaining profitability in conditions of cyclical market expansion and contraction common in the building industry.

The Company remains debt-free.

Forecasts by respected building industry analyst, BIS Shrapnel indicate Queensland will continue to dominate growth in net interstate migration achieving an estimated net growth averaging more than 35,000 people per annum for at least the next few years. In addition to benefiting from this growth in demand in its traditional market, Tamawood continues to work on geographic expansion throughout Australia using its unique franchising model.

During the year the company's board was strengthened with the addition of Mr. Andrew Thomas and Mr. John Gaffney, both with deep practical experience in the housing industry. Ms Aretha Garlick was appointed Deputy Chairman of Tamawood's Franchising Subsidiary Dixon Systems Pty Ltd, and relinquished her full directorship of Tamawood Limited in favour of becoming an Alternate Director.

On behalf of the Board and the whole Tamawood team, we express our thanks to you, our valued Shareholder for your continued support.

Yours sincerely,

John C Lyons  
Chairman

Lev Mizikovsky  
Managing Director