

Tamawood Profit Boost

Tamawood Limited, owner of the Dixon Home brand, achieved a record after-tax profit of \$4,449,000 for the half-year ended 31 December 2006, representing a 76% increase on the 31 December 2005 result. Earnings per share for the half-year were 13.3 cents (December 2005: 7.9 cents). This result is consistent with the market release on 15 December 2006 in which the Company advised that earnings growth for the current period is expected to be approximately 20% ahead of the previous corresponding period.

A fully-franked interim dividend of 7 cents per share will be paid on 27 April 2007. (Interim dividend for the 6 months to December 2005: 5 cents).

Operating Highlights

The significant profit growth reflects an increase in house sales and construction turnover as well as improved efficiencies in project management and scheduling systems.

Furthermore, the merchandising business has broadened its product offering and early signs of operating scale efficiencies are beginning to emerge.

The benefits of these operating improvements are being passed onto Dixon Homes' customers in the form of lower construction margins. This ensures that Dixon Homes' cost leadership position is sustainable, enabling the group to continue to grow its market share.

Outlook

The current increase in house sales and the value of work in progress should deliver the group's 7th record annual profit. This outcome is subject to sub-contractor availability, supply constraints and weather conditions.

Directors expect the second half turnover and rate of profit growth to be significantly less than that experienced in the first half. The Company will be in a position to provide more detail in respect to earnings guidance in late May 2007.

Lev Mizikovsky
Executive Chairman
Ph: (07) 3274 0742
Fax: (07) 3274 0709

Appendix 4D

Preliminary Half Year Report

Name of Entity: **TAMAWOOD LIMITED**

ABN: **56 010 954 499**

Financial Half Year Ended: **31 December 2006**

Previous Corresponding Period: **31 December 2005**

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Current period
\$A'000

Revenues from ordinary activities	Up 85%	to	\$61,818
Profit from ordinary activities after tax attributable to members.	Up 76%	to	\$4,449
Net profit for the period attributable to members	Up 76%	to	\$4,449

Dividends	Amount per share	Franked amount per share
Interim dividend	7c	7c
Previous corresponding period Interim dividend	5c	5c

Record date for determining entitlements
to the dividend **13 April 2007**

Has the Interim dividend been declared **Yes**

FINANCIAL STATEMENTS

Condensed consolidated income statement

	Current period - \$A'000	Previous corresponding period - \$A'000
Revenues from ordinary activities	61,818	33,504
Cost of sales	(49,182)	(25,076)
Advertising	(1,094)	(890)
Depreciation and amortisation	(294)	(237)
Employee benefits expenses	(2,774)	(2,029)
Consultants	(167)	(177)
Administration Expenses	(1,537)	(1,176)
Other operating expenses	65	(196)
Profit before income tax	<u>6,835</u>	<u>3,723</u>
Income tax expense	(2,038)	(1,196)
Net profit	<u>4,797</u>	<u>2,527</u>
Net profit attributable to outside equity interests	(348)	-
Net profit for the period attributable to members of Tamawood Limited	<u>4,449</u>	<u>2,527</u>
Non-owner transaction changes in equity		
Increase (decrease) in revaluation reserve	-	-
Total changes in equity not resulting from transaction with owners as owners	<u>4,449</u>	<u>2,527</u>

Notes to the condensed consolidated income statement

	Current period - \$A'000	Previous corresponding period - \$A'000
Contract construction revenue	53,830	30,781
Franchise revenue	880	681
Merchandising sales	3,737	1,591
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	58,447	33,053
Revenue from outside operating activities:		
Sub-lease rentals	49	75
Interest non-related parties	219	216
Interest related parties	90	91
Others items	3,013	69
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	3,371	451
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Revenue from ordinary activities	61,818	33,504
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Operating Profit		
Profit from ordinary activities before income tax includes the following specific net gains and expenses:		
Expenses		
Depreciation of:		
Building improvements	5	5
Motor vehicles and office equipment	289	232
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	294	237

Condensed consolidated balance sheet

	At end of current period \$A'000	As shown in last Annual Report \$A'000
Current Assets		
Cash & cash equivalents	6,621	3,162
Trade receivables & other receivables	5,637	5,512
Inventories	10,530	10,329
Other – Current Assets	1,014	639
Total current assets	23,802	19,642
Non-current assets		
Trade receivables & other receivables	1,665	1,705
Property, plant and equipment (net)	6,757	7,247
Deferred tax assets	1,376	1,360
Investments	1,125	2,133
Intangibles	244	178
Total non-current assets	11,167	12,623
Total assets	34,969	32,265
Current liabilities		
Trade & other payables	6,743	7,295
Current tax liabilities	(83)	100
Short term provisions	493	991
Other current liabilities	94	75
Total current liabilities	7,247	8,461
Non-current liabilities		
Deferred tax liabilities	3,022	2,712
Long term provisions	826	382
Total non-current liabilities	3,848	3,094
Total liabilities	11,095	11,555
Net assets	23,874	20,710
Equity		
Contributed equity	15,293	14,269
Retained profits	7,401	5,609
Reserves	1,085	1,085
Equity attributable to members of Tamawood Limited	23,779	20,963
Outside equity interests in controlled entities	95	(253)
Total equity	23,874	20,710

Condensed consolidated statement of cash flows	Current Period \$A'000	Previous corresponding period - \$A'000
Cash flows related to operating activities		
Receipts from customers (GST Inclusive)	62,859	35,760
Payments to suppliers and employees (GST Inclusive)	(57,308)	(33,322)
Interest received	267	212
Income taxes paid	(1,987)	(1,950)
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Net operating cash flows	3,831	700
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Cash flows related to investing activities		
Payment for property, plant and equipment	(1,338)	(1,604)
Proceeds from sale of property, plant and equipment	2,292	416
Loans repaid by other entities	29	69
Payment for Intangibles	(110)	(266)
Minority Interest	348	
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Net investing cash flows	1,221	(1,385)
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Cash flows related to Financing Activities		
Receipt of funds under employee share scheme	40	-
Dividends paid	(1,633)	(1,474)
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Net financing cash flows	(1,593)	(1,474)
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Net increase (decrease) in cash held	3,459	(2,159)
Cash at beginning of period	3,162	5,295
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Cash at end of period	6,621	3,136
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Reconciliation of cash at the end of the period		
	Current Period \$A'000	Previous Corresponding period - \$A'000
Cash on hand and at bank	2,155	377
Deposits at call	4,466	2,759
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Total cash at end of period	6,621	3,136
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BROKER INFORMATION

Control gained over entities having material effect – Nil

Loss of control of entities having material effect – Nil

Consolidated statement of changes in equity

	Share Capital Ordinary \$ 000	Retained Profits \$ 000	Asset Revaluation \$ 000	Minority Interests \$ 000	Total Equity \$ 000
Balance at 1 July 2005	12,001	4,454	1,085	-	17,540
Shares Issued	2,268	-	-	-	2,268
Profits for the Period	-	5,025	-	(106)	4,919
Transfer to Minority Interest	-	200	-	(147)	53
Dividends Paid	-	(4,070)	-	-	(4,070)
Balance as at 30 June 2006	14,269	5,609	1,085	(253)	20,710
Balance at 1 July 2006	14,269	5,609	1,085	(253)	20,710
Shares Issued	1,024	-	-	-	1,024
Profits for the Period	-	4,449	-	-	4,449
Transfer to Minority Interest	-	-	-	348	348
Dividends Paid	-	(2,657)	-	-	(2,657)
Balance at 31 December 2006	15,293	7,401	1,085	95	23,874

Comparison of half year profits

	Current year - \$A'000	Previous Corresponding - period \$A'000
Consolidated profit from ordinary activities after tax attributable to members reported for the 1 st half year	4,449	2,527

DIVIDENDS

Date the dividend is payable **27 April , 2007**

Record date to determine entitlements to the dividend **13 April , 2007**

Quoted "Ex" on ASX **4 April , 2007**

Amount per Security

		Amount per share	Franked amount per share at 30% tax
Interim Dividend:	Current Year	7c	7c
	Previous Year	5c	5c
Total interim dividend per security		Current period \$A'000	Previous corresponding period - \$A'000
Ordinary shares		2,371	2,657

The dividend reinvestment plan is in operation for this dividend.

The last date for receipt of election notices for the dividend plan is **4 April 2007**

There are franking credits available as at 31 December 2006

Issued and quoted securities at end of current period

Category of securities	Total Number	Number quoted	Issue price per security	Amount paid up per security
Ordinary securities	33,867,468	32,623,528	-	
Changes during current period				
(a) increases through issues	647,809	647,809	-	-
(b) Decreases through returns of capital, buybacks, redemptions	-	-	-	-

COMMENTARY ON RESULTS**RATIOS**

Earning per Security (EPS)	Current period	Previous corresponding period
Basis EPS	13.30 cents	7.90 cents
Diluted EPS	13.30 cents	7.90 cents
Weighted average number of share	33,448,517	31,961,807
Profits before tax/ Revenue		
Consolidated profit from ordinary activities before tax as a percentage of revenue	11.05%	11.11%
Profit after tax/ equity interests		
Consolidated net profits from ordinary activities after tax attributable to members as a percentage of equity	18.63%	13.43%
Net Tangible Assets		
Net tangible assets backing per ordinary Security	70.49cents	56.68 cents

SEGMENT INFORMATION

Tamawood's primary geographic segment is South East Queensland.

COMPLIANCE STATEMENT

This report has been prepared in accordance with AASB 134 interim financial reporting, other AASB authoritative pronouncements and Urger Issues Group Consensus Views or other standards acceptable to ASX .

This report, and the accounts upon which the report is based (if separate), use the same accounting policies.

This report does give a true and fair view of the matters disclosed.

This report is based on accounts, which are currently subject to independent review.

The entity has formally constituted an Audit Committ

Sign here:
(Director/Company Secretary)

Date:.....6. ;?., ~QJ.

Print Name: Leo Muzikovsky.....