



## Appendix 4D

### Preliminary Half Year Report

Name of Entity: **TAMAWOOD LIMITED**  
 ABN: **56 010 954 499**  
 Financial Half Year Ended: **31 December 2010**  
 Previous Corresponding Period: **31 December 2009**

#### RESULTS FOR ANNOUNCEMENT TO THE MARKET

		Current period \$'000
Revenue from continuing activities	Down 7.53 % to	\$50,435
Profit after tax from continuing activities	Down 17.84% to	\$4,140
Net profit for the period attributable to members	Down 17.84% to	\$4,140
<b>Dividends</b>	<b>Amount per share</b>	<b>Franked amount per share</b>
Interim dividend (fully franked)	8 cents	8 cents
Previous corresponding period Interim dividend	8 cents	8 cents
Record date for determining entitlements to the dividend	<b>16 May 2011</b>	
Has the Interim dividend been declared	<b>Yes</b>	

**Amount per Security**

	Amount per Share	Franked amount per share at 100%
<b>Interim Dividend:</b>		
Current Year	8 cents	8 cents
Previous Year	8 cents	8 cents

**DIVIDENDS**

Date the dividend is payable	<b>3 June 2011</b>
Record date to determine entitlements to the dividend	<b>16 May 2011</b>
Quoted "Ex" on ASX	<b>10 May 2011</b>

There are franking credits available as at 31 December 2010.

**DIVIDEND REINVESTMENT PLAN**

The company has a dividend reinvestment plan under which holders of ordinary shares may elect to have all or part of their dividend entitlements satisfied by the issue of new ordinary shares rather than being paid in cash.

The last date for receipt of election notices for the dividend plan is 16 May 2011

**Total interim dividend per security**

	Current period - \$'000	Previous corresponding period - \$'000
Ordinary shares	3,078	3,027

**Issued and quoted securities at end of current period**

Category of securities	Total Number	Number quoted	Issued price per security	Amount paid up per security
<b>Ordinary securities</b>	38,471,232	38,471,232	-	-
Changes during current period				
(a) increases through issues	1,431,766	1,431,766	2.46cents	-
(b) decreases through returns of capital, buybacks, redemptions	(605,000)	(605,000)	2.40cents	

## COMMENTARY ON RESULTS

### RATIOS

Earning per Security (EPS)	Current period	Previous corresponding period
Basic EPS	11.10 cents	18.99 cents
Diluted EPS	11.10 cents	18.99 cents
From continuing operations	11.10 cents	13.32 cents
From discontinued operations	0 cents	5,67 cents
Weighted average number of share	37,303,376	37,839,466
<b>Profits before tax/ Revenue</b>		
Consolidated profit from ordinary activities before tax as a percentage of revenue	11.64%	15.39%
<b>Profit after tax and equity interests</b>	11.45%	20.83%
Consolidated net profits from ordinary activities after tax attributable to members as a percentage of equity		
<b>Net Tangible Assets</b>		
Net tangible assets backing per Ordinary Security	93.99 cents	91.20 cents

### BROKER INFORMATION

Control gained over entities having material effect – Nil  
 Loss of control of entities having material effect – Nil

### DETAILS OF SUBSIDIARIES

COMPANY NAME	OWNERSHIP
<b>Parent</b>	
Tamawood Limited	
<b>Subsidiaries</b>	
Tamawood Services Pty Ltd	100%
Tamawood Commercial Property Pty Ltd	100%
Tamawood Finance Pty Ltd	100%
Tamawood Realty Pty Ltd	100%
Tamawood Research and Development Pty Ltd	100%
Tamawood SEQ Franchise Pty Ltd	100%
Tamawood Share Scheme Pty Ltd	100%
Dixonbuild Pty Ltd	100%
DixonRes Pty Ltd	100%
DixonSeq Pty Ltd	100%
High Level Marketing Pty Ltd	100%
Dixon Projects Pty Ltd	100%
SolarpowerRex Pty Ltd	100%

### FOREIGN ENTITIES

Not applicable.

# **TAMAWOOD LIMITED**

**ABN: 56 010 954 499**

## **Consolidated Financial Statements**

**For the Half-Year Ended 31 December 2010**



# TAMAWOOD LIMITED

For the Half-Year Ended 31 December 2010

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# Tamawood Limited

## Directors' Report

31 December 2010

Your Directors present their report on Tamawood Limited ("Tamawood") and its controlled entities ("Group") for the financial half year ended 31 December 2010.

### 1. General information

#### Directors

The names of the directors in office at any time during, or since the end of, the half year are:

<b>Names</b>	<b>Position</b>
KJ Daly	Independent non-executive chairman
L Mizikovsky	Executive director
R Dudurovic	Independent non-executive director
R Lynch	Independent non-executive director
A Thomas	Independent non-executive director

Directors have been in office since the start of the half year to the date of this report unless otherwise stated.

#### Principal Activities

During the half year the principal continuing activities of the Group consisted of:

- home design, project management services and associated activities including home contract construction activities in selected markets;
- franchising and licensing operations in regional Queensland and New South Wales;
- construction and resale of "ready-to-occupy" homes; and
- generating and trading of renewable energy certificates associated with solar products.

No significant change in the nature of these activities occurred during the half year.

### 2. Business review

#### The Result

Tamawood recorded an after-tax profit on continuing operations of \$4.14M for the 6 months to 31 December 2010, representing a 17.84% decrease on the previous corresponding period. The previous corresponding period included a once-off capital profit on the divestment of AstiVita Renewables Limited of \$2.15M. The profit result for the half year ended 31 December 2010 is an increase of \$865K (26.41%) over the January to June 2010 period.

Earnings per share was 11.10 cents, from which a fully franked dividend of 8 cents (December 2009: 8 cents) will be paid to shareholders on 3 June 2011.

The business has made a significant investment in "Ready-to-Occupy" housing, where Tamawood has purchased and developed residential allotments which will be subsequently sold as completed house and land packages to owner-occupiers and investors. As at 31 December 2010 \$21.07M in unfurnished "Ready-to-Occupy" homes were held on balance sheet. These homes will be progressively sold over calendar year 2011. Construction on a significant portion of existing land stock situated in Yamanto, South East Queensland, has been delayed by the building approval process, adding to our holding costs. None of

# Tamawood Limited

## Directors' Report

31 December 2010

### 2 Business review (continued)

our blocks, except for one were affected by the 2011 flood and are expected to be in strong demand following completion of construction, which has recently commenced.

Income derived from the sale of "Ready-to-Occupy" homes can only be recognised as sale contracts become unconditional or are settled, which should underwrite a stronger earnings result in the second half compared to the first half year.

Recently Tamawood established a \$5M debt facility to support the growth of its "Ready-to-Occupy" housing program in the future, should suitable sites become available.

The Renewable Energy Certificate ("REC") Trading business during the period generated a small loss but the contracts on hand for the upcoming period are profitable and will have a material positive impact on the next six months result.

#### Brisbane 2011 Flood

While the flood did not impact the December 2011 financial result, Tamawood's head office at Rocklea was inundated, causing some disruption to head office activities. Sales activities and administration capabilities were adversely impacted, although normal operational activities have since resumed. Some delays in commencement of construction has occurred in some areas due to wet conditions, however, this should not have a material impact on our full year result.

Importantly, given that Tamawood uses steel frames for 100% of its construction activity, our product under construction has not been damaged by exposure to wet weather conditions that have prevailed over the past 2 to 3 months.

Apart from four instances, there has been no significant flood damage or inundation to either contract housing sites nor "Ready-to-Occupy" construction sites. This is a very gratifying outcome given the severity of the Brisbane flood.

#### Earnings Outlook

The Board remains optimistic that a strong second half year result will enable our original \$10M after-tax profit forecast to be achieved for the June 2011 financial year, subject to the successful completion and settlement of our "Ready-to-Occupy" homes and the sale of existing REC's and completion of REC contracts in place now.

The Board is appreciative of employee contributions that enable Tamawood to pursue a number of worthwhile initiatives aimed at growing and diversifying its business.

### 3. Other items

#### Significant Changes in state of Affairs

No significant changes in the Group's state of affairs occurred during the financial half year.

#### After balance date events

No matters or circumstances have arisen since the end of the financial half year which have significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

# Tamawood Limited

Directors' Report

31 December 2010

## 4. Rounding of amounts

The Group has applied the relief available to it in ASIC Class order 98/100 and accordingly certain amounts in the directors' report and the financial report have been rounded off to the nearest thousand dollars.

## 5. Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is attached to this report.

Signed in accordance with a resolution of the Board of Directors



KJ Daly

Independent non-executive chairman

Dated 16 February 2011

**DECLARATION OF INDEPENDENCE BY DAMIAN WRIGHT TO THE DIRECTORS OF TAMAWOOD LIMITED**

As lead auditor for the review of Tamawood Limited for the half-year ended 31 December 2010, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Tamawood Limited and the entities it controlled during the period.



Damian Wright

Director

**BDO Audit (QLD) Pty Ltd**

Brisbane: 16 February 2011

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Tamawood Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Tamawood Limited, which comprises the statement of financial position as at 31 December 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year's end or from time to time during the half-year.

### Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity 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 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 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 2010 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 Tamawood Limited, 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.

### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Tamawood Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

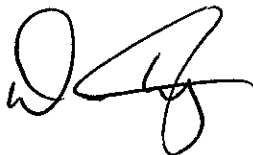
## **Conclusion**

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 Tamawood Limited 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 2010 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

**BDO Audit (QLD) Pty Ltd**

BDO



**Damian Wright**

Director

Brisbane, 16 February 2011

# Tamawood Limited

## Directors' Declaration

The Directors of the Group declare that:

1. The financial statements and notes, as set out on pages 8 to 21, are in accordance with the *Corporations Act 2001* and:
  - (a) comply with Accounting Standard AASB 134 Interim Financial Reporting; and
  - (b) give a true and fair view of the financial position as at 31 December 2010 and of the performance for the half-year ended on that date of the Group.
2. In the Directors' opinion, there are reasonable grounds to believe that Tamawood Limited will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors



KJ Daly  
Independent non-executive chairman

Dated 16 February 2011

# Tamawood Limited

## Consolidated Statement of Comprehensive Income

For the Half-Year Ended 31 December 2010

		31 December 2010	31 December 2009
	Note	\$'000	\$'000
Revenue from continuing operations	2	50,435	54,541
Other income		370	425
Cost of sales		(39,902)	(42,937)
Employee benefits expense		(2,341)	(2,061)
Depreciation, amortisation and impairments		(226)	(82)
Advertising		(1,140)	(1,097)
Consultancy		(282)	(477)
Other expenses		(1,042)	(1,419)
<b>Profit before income tax</b>		<b>5,872</b>	<b>6,893</b>
Income tax expense		(1,732)	(1,854)
<b>Profit from continuing operations</b>		<b>4,140</b>	<b>5,039</b>
Profit from discontinued operations after income tax	8	-	2,150
<b>Profit for the half-year</b>		<b>4,140</b>	<b>7,189</b>
<b>Other comprehensive income:</b>			
Revaluation of land and buildings to fair value		559	30
Income tax on items of other comprehensive income		(168)	(6)
Other comprehensive income for the half-year, net of tax		391	24
<b>Total comprehensive income for the half-year</b>		<b>4,531</b>	<b>7,213</b>
Profit attributable to:			
Owners of Tamawood Limited		4,140	7,189
		4,140	7,189
Total comprehensive income attributable to:			
Owners of Tamawood Limited		4,531	7,213
		4,531	7,213
<b>Earnings per share</b>			
Basic earnings and diluted earnings per share (cents)			
From continuing operations		11.10	13.32
From discontinued operation		-	5.67
<b>Total basic earnings and diluted earnings per share attributable to equity holders</b>		<b>11.10</b>	<b>18.99</b>

The Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes

# Tamawood Limited

## Consolidated Statement of Financial Position

As At 31 December 2010

	31 December	30 June
	Note	2010
		2010
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	7	7,497
Trade and other receivables		5,382
Inventories		21,921
Other assets		19
<b>TOTAL CURRENT ASSETS</b>		<b>38,006</b>
<b>NON-CURRENT ASSETS</b>		
Trade and other receivables		2,355
Property, plant and equipment		8,104
<b>TOTAL NON-CURRENT ASSETS</b>		<b>9,106</b>
<b>TOTAL ASSETS</b>		<b>47,112</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Trade and other payables		5,953
Current tax liabilities		1,978
Short-term provisions		404
<b>TOTAL CURRENT LIABILITIES</b>		<b>8,845</b>
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities		2,265
Long-term provisions		350
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>2,105</b>
<b>TOTAL LIABILITIES</b>		<b>10,950</b>
<b>NET ASSETS</b>		<b>36,162</b>
<b>EQUITY</b>		
Issued capital	5	24,372
Reserves		2,146
Retained Earnings		7,810
<b>TOTAL EQUITY</b>		<b>34,328</b>

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes

# Tamawood Limited

## Consolidated Statement of Changes in Equity

For the Half Year Ended 31 December 2010

31 December 2010

	Issued Capital \$'000	Retained Earnings \$'000	Asset Revaluation \$'000	Staff Share Scheme \$'000	Total \$'000	Non- controlling Interests \$'000	Total Equity \$'000
Balance at 1 July 2010	24,372	7,810	2,146	-	34,328	-	34,328
<b>Comprehensive income for the half-year</b>							
Profit for the half-year	-	4,140	-	-	4,140	-	4,140
Revaluation of land and buildings	-	-	391	-	391	-	391
<b>Total comprehensive income for the half-year</b>	-	4,140	391	-	4,531	-	4,531
<b>Transactions with owners in their capacity as owners</b>							
Shares issued	3,520	-	-	-	3,520	-	3,520
On-market share buy-back	(1,451)	-	-	-	(1,451)	-	(1,451)
Dividends paid	-	(4,766)	-	-	(4,766)	-	(4,766)
	2,069	(4,766)	-	-	(2,697)	-	(2,697)
<b>Balance at 31 December 2010</b>	<b>26,441</b>	<b>7,184</b>	<b>2,537</b>	<b>-</b>	<b>36,162</b>	<b>-</b>	<b>36,162</b>

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The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes

# Tamawood Limited

Consolidated Statement of Changes in Equity  
For the Half Year Ended 31 December 2010

31 December 2009

Note	Issued Capital \$'000	Retained Earnings \$'000	Asset Revaluation \$'000	Staff Share Scheme \$'000	Total \$'000	Non-controlling Interests \$'000	Total Equity \$'000
	24,840	12,558	2,133	(106)	39,425	694	40,119
Balance at 1 July 2009							
<b>Comprehensive income for the half year</b>							
Profit for the half-year	-	7,189	-	-	7,189	-	7,189
Revaluation of land and buildings	-	-	24	-	24	-	24
<b>Total comprehensive income for the half-year</b>							
	-	7,189	24	-	7,213	-	7,213
<b>Transactions with owners in their capacity as owners</b>							
Dividends paid	-	(4,891)	-	-	(4,891)	-	(4,891)
Special dividend (Inspecie Distribution AIR)	-	(7,071)	-	-	(7,071)	-	(7,071)
Demerger of AstiVita Renewables Limited	-	(271)	-	-	(271)	(694)	(965)
Revaluation of staff shares	-	-	-	106	106	-	106
	-	(12,233)	-	106	(12,127)	(694)	(12,821)
<b>Balance at 31 December 2009</b>	<b>24,840</b>	<b>7,514</b>	<b>2,157</b>	<b>-</b>	<b>34,511</b>	<b>-</b>	<b>34,511</b>

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes

# Tamawood Limited

## Consolidated Cash Flow Statement

For the Half Year Ended 31 December 2010

	31 December 31 December	
	2010	2009
Note	\$'000	\$'000
<b>CASH FROM OPERATING ACTIVITIES:</b>		
Receipts from customers (GST inclusive)	58,807	56,838
Payments to suppliers and employees (GST inclusive)	(62,413)	(48,960)
Dividends received	-	24
Interest received	147	130
Income taxes paid	(3,019)	(6,123)
Net cash provided by (used in) operating activities	<u>(6,478)</u>	<u>1,909</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of plant and equipment	75	74
Repayment/(funding) of loans to other entities	400	-
Purchase of property, plant and equipment	(111)	(42)
Purchase of equity interest in AstiVita Renewables Limited*	-	(4,000)
Loans advanced to AstiVita Renewables Limited	-	(1,611)
Net cash provided by (used in) investing activities	<u>364</u>	<u>(5,579)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of loans by AstiVita Renewables Limited*	-	4,000
Dividends paid	6 (1,248)	(4,788)
Proceeds from prior years employee share issue	1,396	-
Share buy-back payment	(1,451)	-
Net cash provided (used in) financing activities	<u>(1,303)</u>	<u>(788)</u>
Net increase (decrease) in cash held	(7,417)	(4,458)
Cash and cash equivalents at beginning of year	<u>7,497</u>	<u>12,719</u>
Cash and cash equivalents at end of half-year	<u>80</u>	<u>8,261</u>

\* The purchase by Tamawood of its shareholding in AstiVita Renewables Limited was funded by converting the loan owed by AstiVita Renewables Limited to Tamawood. The net effect of the two transaction on cashflow was nil.

The Consolidated Cashflows Statement should be read in conjunction with the accompanying notes

# Tamawood Limited

## Notes to the Financial Statements

for the Half-Year Ended 31 December 2010

### 1 Summary of significant accounting policies

#### (a) Basis of Preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2010 have been prepared in accordance with Australian Accounting Standard AASB 134 Interim Financial Reporting, and the Corporations Act 2001.

These half-year financial statements do not include all notes of the type normally included in the annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2010 and any public announcements made by Tamawood during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The same accounting policies and methods of computation have generally been followed in these half-year financial statements as compared with the most recent annual financial statements.

#### (b) Rounding of amounts

The Group satisfies the requirements of Class Order 98/100 issued by the Australian Securities and Investments Commission relating to "rounding off" of amounts in the consolidated financial statements to the nearest thousand dollars. Amounts have been rounded off in the Directors' report and the consolidated financial statements in accordance with that Class Order.

#### (c) Adoption of New and Revised Accounting Standards

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations did not have any material impact on the amounts recognised in the financial statements of the Group for the current or prior periods.

# Tamawood Limited

## Notes to the Financial Statements

for the Half-Year Ended 31 December 2010

### 2 Revenue from continuing operations

	31 December 2010 \$'000	31 December 2009 \$'000
Sales revenue		
- Contract construction revenue	36,509	30,121
- Franchise revenue	418	288
- Renewable Energy revenue	11,502	9,754
- Ready-to-Occupy homes revenue	1,806	14,268
- Rental income	200	110
	<hr/> 50,435	<hr/> 54,541

### 3 Profit for the period

#### (a) Significant Revenue and Expenses

The following significant revenue and expense items are relevant in explaining the financial performance:

Profit from discontinued operations after tax

---

2,150

# Tamawood Limited

## Notes to the Financial Statements

for the Half-Year Ended 31 December 2010

### 4 Operating Segments

#### Segment Information

Segment information is presented using a "management approach", i.e. segment information is provided on the same basis as information is used for internal reporting purposes by the Board.

#### Description of segments

Management has determined the operating segments based on reports reviewed by the Board and the chief operating decision maker for making strategic decisions. The Board monitor the business based on the business segments.

#### (i) Construction

Home design, project management services and associated activities including home contract construction activities in selected markets;

#### (ii) Franchising

Franchising and licensing operations in regional Queensland and New South Wales;

#### (iii) Ready-to-Occupy

Construction and resale of "Ready-to-Occupy" homes; and sublease of various parts of a building owned by the Group

#### (iv) Renewable Energy

Generating and trading of renewable energy certificates associated with solar products; and

# Tamawood Limited

Notes to the Financial Statements  
for the Half-Year Ended 31 December 2010

## 4 Operating Segments (continued) (a) Segment performance

	Construction		Ready-to-Occupy		Franchises		Renewable Energy		Total	
	31 December 2009	31 December 2010	31 December 2009	31 December 2010	31 December 2009	31 December 2010	31 December 2009	31 December 2010	31 December 2009	31 December 2010
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>REVENUE</b>										
Total revenue from external customers	36,509	30,121	2,006	14,378	418	288	11,502	9,754	50,435	54,541
Intersegment revenue	6,456	2,625	294						6,750	2,625
<b>Total segment revenue</b>	<b>42,965</b>	<b>32,746</b>	<b>2,300</b>	<b>14,378</b>	<b>418</b>	<b>288</b>	<b>11,502</b>	<b>9,754</b>	<b>57,185</b>	<b>57,166</b>
<b>Net profit/(loss) before tax from continuing operations for half year</b>	<b>6,837</b>	<b>1,936</b>	<b>274</b>	<b>3,783</b>	<b>23</b>	<b>8</b>	<b>(179)</b>	<b>266</b>	<b>6,955</b>	<b>5,993</b>
Amounts not included in segment result									(420)	1,185
Profit eliminated on consolidation									(663)	(285)
<b>Net Group profit before tax from continuing operations</b>									<b>5,872</b>	<b>6,893</b>

# Tamawood Limited

## Notes to the Financial Statements

for the Half-Year Ended 31 December 2010

### 5 Issued capital

	31 December 2010 \$'000	30 June 2010 \$'000
38,471,232 (2010: 37,644,466) Ordinary fully paid shares	26,441	24,372
<b>Total</b>	<b>26,441</b>	<b>24,372</b>

#### (a) Ordinary Shares

	31 December 2010 No.	30 June 2010 No.
At the beginning of the reporting period	37,644,466	37,839,466
Shares issued during the year Dividend re-investment plan	1,431,766	
Shares bought back during the year On-market share buyback	(605,000)	(195,000)
At reporting date	<b>38,471,232</b>	<b>37,644,466</b>

#### (b) Ordinary Shares

	31 December 2010 \$'000	30 June 2010 \$'000
At the beginning of the reporting period	24,372	24,840
Shares issued during the year Dividend re-investment plan	3,520	
Shares bought back during the year On-market share buyback	(1,451)	(468)
At reporting date	<b>26,441</b>	<b>24,372</b>

# Tamawood Limited

## Notes to the Financial Statements

for the Half-Year Ended 31 December 2010

### 6 Dividends

	31 December 2010 \$'000	31 December 2009 \$'000
Distributions paid		
Final dividend of 13.0 cents (fully franked at 30%) per fully paid share paid 3 December 2010	4,766	
Final dividend of 13.0 cents (fully franked at 30%) per fully paid share paid 23 October 2009		4,891
Special dividend of 18.69 (fully franked at 30%) per fully paid share paid 26 October 2009 (3 AIR shares for 8 Tamawood shares)		7,071
<b>Total</b>	<b>4,766</b>	<b>11,962</b>

	31 December 2010 \$'000	31 December 2009 \$'000
Dividends issued by way of DRP	3,518	
Dividends paid by cash	1,248	4,891
Dividend paid by issue of shares in AIR		7,071
	<b>4,766</b>	<b>11,962</b>

### 7 Cash and Cash Equivalents

	31 December 2010 \$'000	30 June 2010 \$'000
Cash at bank	80	2,422
Short-term bank deposits		5,075
	<b>80</b>	<b>7,497</b>

# Tamawood Limited

## Notes to the Financial Statements

for the Half-Year Ended 31 December 2010

### 8 Distribution of interest in Controlled Entities

On 9 October 2009 Tamawood shareholders approved the demerger by Tamawood of its 55% shareholding in the AstiVita business unit. A non-recurring after tax capital gain of \$2.1M was attributable to members of Tamawood as a result of the demerger. AstiVita subsequent to its demerger reorganised into AstiVita Renewables Limited ("AIR"). AIR was listed on the ASX on 16 December 2009. The Group has had no interest in AIR since 9 October 2009.

#### (a) Discontinued operation - Financial Position as at 16 December 2009

	16 December 2009 \$'000
<b>Balance Sheet</b>	
<b>Current Assets</b>	
Cash and cash equivalents	1,423
Trade and other receivables	2,774
Inventories	1,791
<b>Total Current Assets</b>	<u>5,988</u>
<b>Non Current Assets</b>	
Property, plant and equipment	46
Intangible Assets	24
<b>Total Non Current Assets</b>	<u>70</u>
<b>Total Assets</b>	<u>6,058</u>
<b>Current Liabilities</b>	
Trade and other payables	1,633
Short-term borrowings	831
Current tax payable	48
<b>Total Current Liabilities</b>	<u>2,512</u>
<b>Non Current Liabilities</b>	
<b>Total Non Current Liabilities</b>	<u></u>
<b>Total Liabilities</b>	<u>2,512</u>
<b>Net Assets</b>	<u>3,546</u>
<b>Equity</b>	
Issued Capital	2,310
Reserves	1,236
<b>Total Equity</b>	<u>3,546</u>

# Tamawood Limited

## Notes to the Financial Statements

for the Half-Year Ended 31 December 2010

### 8 Distribution of interest in Controlled Entities (continued) (b) Discontinued operation - Financial Performance

	31 December 2010 \$'000	31 December 2009 \$'000
<b>Income Statement</b>		
Sales of goods		9,969
Cost of sales and expenses		<u>(9,969)</u>
<b>Profit before tax</b>		
Capital gain from de-merger		3,071
Income tax expense		<u>(921)</u>
<b>Profit attributable to members of the parent entity</b>		<u><u>2,150</u></u>

### (c) Disposal of Entities

During the year ended 30 June 2010 the controlled entity AstiVita Renewables Limited was disposed of by means of an in specie distribution by Tamawood of its shareholding in AstiVita Renewables Limited to its shareholders. Aggregate details of this transaction are:

	31 December 2010 \$'000	30 June 2010 \$'000
Disposal price (by means of in specie distribution)		<u>7,071</u>
Cash consideration		
<b>Assets and liabilities held at disposal date:</b>		
Receivables		2,568
Inventories		1,791
Property, plant and equipment		46
Payables		(2,512)
Minority equity interest		(964)
Conversion debt to equity holding		<u>(4,000)</u>
Net gain/(loss) on disposal		<u><u>(3,071)</u></u>

# Tamawood Limited

## Notes to the Financial Statements

for the Half-Year Ended 31 December 2010

### 9 Contingent Liabilities

There have been no changes in contingent liabilities or contingent assets since the end of the previous annual reporting period, 30 June 2010.

### 10 Events subsequent to the end of reporting period

After the end of the reporting period, the board declared a dividend of 8 cents per share to be paid on 3 June 2011.

### 11 Company Details

The registered office of the company is:

TAMAWOOD LIMITED  
1821 Ipswich Road  
Rocklea  
Brisbane QLD 4074