

**4 November 2016**

### **Chairman's Address**

The financial year ended 30 June 2016 resulted in an after tax profit of \$8.049 million (2015: \$6.416 million) with an EPS of 31.49 cents (2015: 25.10 cents).

The Group remains debt free with in excess of \$6.7million in reserves as at 1 November 2016 with \$3.833 million to be paid to shareholders on December 1, 2016.

### **2016 Highlights**

- Construction revenue increased by 12.34%, including significant increase in NSW and administration overheads reduced by 10% as a percentage of revenue including the absorption of all costs associated with:
  - the closure of Melbourne and Adelaide offices; and
  - the expansion of South East Queensland and New South Wales operations into Ballina and Coffs Harbour.

### **Project Software Efficiencies**

- Tamawood's competitive advantage in part was achieved through the use of the Resiweb enterprise software in particular further improvements to the software that were integrated during the FY16.
- During FY16 Tamawood increased its investment in Resiweb to 23.44%. The software is based on in house software that has been developed by Tamawood over the 20 year period prior to the creation of Resiweb Limited five years ago and now is 90% complete and live testing has commenced.

### **2017 Outlook**

- Unaudited profit before tax for the four months to October 31, 2016 is 25% above the same period last year.
- It is anticipated that the software product should be completed sometime FY17 and this will have a positive impact on Tamawood through the growth of the franchising business and further improvements to productivity within Tamawood's operations.
- Tamawood is currently testing and using some of the modules of the new software released by Resiweb Limited.
- Leases in Port Macquarie and Newcastle have been signed in October 2016. Expansion into these areas should positively impact construction revenue for Dixon NSW in FY18.
- Franchise operations are expected to grow as more attention is given to improving the quality of system implementation and the franchisee location selection process.
- Tamawood confirms that the interim fully franked dividend for FY17 will be 10 cents.

ENDS

Robert Lynch  
Chairman