Royal Bank of Scotland N.V.
Form 424B2
July 23, 2010

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities Offered	Maximum Aggregate Offering Price	Amount of Registration Fee(1)
JPMorgan Chase & Co. Knock-In Securities	$500,000	$35.65

(1) ON MARCH 31, 2010 AN ADDITIONAL FILING FEE OF $10,000 WAS PAID. The $35.65 fee with respect to the $500,000 Knock-In Reverse Exchangeable Securities linked to the common stock of JPMorgan Chase & Co. due January 27, 2011 sold pursuant to this registration statement is offset against those filing fees, and $6,499.73 remains available for future registration fees. No additional fee has been paid with respect to this offering.

Pricing Supplement No. 084 Dated July 22, 2010
to Registration Statement Nos. 333-162193 and
333-162193-01
(To Product Supplement No. 1-IV Dated April 2,
2010,
Prospectus Supplement Dated April 2, 2010
and Prospectus Dated April 2, 2010)
Rule 424(b)(2)

THE ROYAL BANK OF SCOTLAND N.V.
Reverse Exchangeable Securities (REXs)

Issuer:	The Royal Bank of Scotland N.V.	Launch Date:	July 21, 2010
Lead Agent:	RBS Securities Inc.	Pricing Date:	July 22, 2010
Issue Price:	100%	Settlement Date:	July 27, 2010
CUSIP:	78009KLD2	Determination Date:	January 24, 2011[1]
ISIN:	US78009KLD27	Maturity Date:	January 27, 2011

1Subject to certain adjustments as described in the accompanying Product Supplement

Status and Guarantee:	Unsecured, unsubordinated obligations of the Issuer and fully and unconditionally guaranteed by the Issuer's parent company, RBS Holdings N.V.
Description of Offering:	11.00% (Per Annum), Six Month Knock-in Reverse Exchangeable Securities due January 27, 2011 linked to the Underlying Shares set forth in the table below.

Underlying Shares	Ticker	Principal Amount	Initial Price	Knock-In Price	Knock-In Level	Redemption Amount
JPMorgan Chase & Co.	JPM	$500,000	$39.35	$27.55	70%	25.413

Coupon Rate	Annualized Coupon Rate2	Annualized Interest Rate	Annualized Put Premium
5.50%	11.00%	0.61%	10.39%

Coupon Payment:

2The Securities have a term of six months, so you will receive a pro rated amount of this per annum rate based on such six-month period as shown in the table above under "Coupon Rate".

Coupons on the Securities are payable monthly in arrears on the 27th day of each month starting on August 27, 2010 and ending on the Maturity Date.

Payment at Maturity: The payment at maturity for each Security is based on the performance of the Underlying Shares linked to such Security:

(i) If the closing price of the Underlying Shares has not fallen below the Knock-In Level on any trading day from but not including the Pricing Date to and including the Determination Date, we will pay you the face amount of each Security in cash.

(ii) If the closing price of the Underlying Shares has fallen below the Knock-In Level on any trading day from but not including the Pricing Date to and including the Determination Date:

(a) we will deliver to you a number of the Underlying Shares equal to the Redemption Amount, in the event that the closing price of the Underlying Shares on the Determination Date is below the Initial Price; or

(b) we will pay you the face amount of each Security in cash, in the event that the closing price of the Underlying Shares on the Determination Date is at or above the Initial Price.

You will receive cash in lieu of fractional shares. If due to events beyond our reasonable control, as determined by us in our sole discretion, the Underlying Shares are not available for delivery at maturity we may pay you, in lieu of the Redemption Amount, the cash value of the Redemption Amount, determined by multiplying the Redemption Amount by the closing price of the Underlying Shares on the Determination Date.

Any payment at maturity is subject to the creditworthiness of The Royal Bank of Scotland N.V. and RBS Holdings N.V., as guarantor.

	Price to Public	Agent's Commission3	Proceeds to Issuer
Per Security	$1,000	$22.50	$977.50
Total	$500,000	$11,250	$488,750

3For additional information see "Plan of Distribution (Conflicts of Interest)" in this Pricing Supplement.

The Securities are not bank deposits and are not insured or guaranteed by the Federal Deposit Insurance Corporation, the Deposit Insurance Fund or any other governmental agency, nor are they obligations of, or guaranteed, by a bank. Investing in the Securities involves a number of risks. See "Risk Factors" beginning on page PS-8 of the accompanying Product Supplement No. 1-IV and "Risk Factors" beginning on page 7 of this Term Sheet. The Securities and Exchange Commission and state securities regulators have not approved or disapproved these Securities, or determined if this Term Sheet or the accompanying Product Supplement, Prospectus Supplement or Prospectus are truthful or complete. Any representation to the contrary is a criminal offense.

The agents are not obligated to purchase the Securities but have agreed to use reasonable efforts to solicit offers to purchase the Securities. To the extent the full aggregate face amount of the Securities being offered by this Term Sheet is not purchased by investors in the offering, one or more of our affiliates may purchase a part of the unsold portion, which may constitute up to 15% of the total aggregate face amount of the Securities, and to hold such Securities for investment purposes. See "Holdings of the Securities by Our Affiliates and Future Sales" under the heading "Risk Factors" and "Plan of Distribution (Conflicts of Interest)" in this Term Sheet. This Term Sheet and the accompanying Product Supplement, Prospectus Supplement and Prospectus may be used by our affiliates in connection with offers and sales of the Securities in market-making transactions.

PRICE: $1,000 PER SECURITY

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ADDITIONAL TERMS SPECIFIC TO THE SECURITIES:

Initial Price:	100% of the closing price of the Underlying Shares on the Pricing Date, subject to adjustment as described in the accompanying Product Supplement.		
Knock-In Level:	A percentage of the Initial Price, as set forth in the table above.		
Redemption Amount:	For each $1,000 face amount of Security, a number of the Underlying Shares linked to such Security equal to $1,000 divided by the Initial Price.		
Trustee:	Wilmington Trust Company	Securities Administrator:	Citibank, N.A.
Denomination:	$1,000	Settlement:	DTC, Book Entry, Transferable
Selling Restriction:	Sales in the European Union must comply with the Prospectus Directive		

WHERE YOU CAN FIND MORE INFORMATION

The Royal Bank of Scotland N.V., or RBS N.V., has filed a registration statement (including a Prospectus and Prospectus Supplement) with the Securities and Exchange Commission, or SEC, for the offering to which this Pricing Supplement relates. Before you invest, you should read the Prospectus and Prospectus Supplement in that registration statement and other documents, including the applicable Product Supplement, related to this offering that RBS N.V. has filed with the SEC for more complete information about RBS N.V. and the offering of the Securities.

You may get these documents without cost by visiting EDGAR on the SEC website at www.sec.gov. Alternatively, RBS N.V., any underwriter or any dealer participating in the offering will arrange to send you the Prospectus, Prospectus Supplement and Product Supplement No. 1-IV if you request by calling toll free (866) 747-4332.

You should read this Pricing Supplement together with the Prospectus dated April 2, 2010, as supplemented by the Prospectus Supplement dated April 2, 2010 relating to our Notes of which these Securities are a part, and the more detailed information contained in Product Supplement No. 1-IV dated April 2, 2010. This Pricing Supplement, together with the documents listed below, contains the terms of the Securities and supersedes all other prior or contemporaneous oral statements as well as any other written materials including preliminary or indicative pricing terms, correspondence, trade ideas, structures for implementation, sample structures, fact sheets, brochures or other educational materials of ours. You should carefully consider, among other things, the matters set forth in "Risk Factors" in this Pricing Supplement and in the accompanying Product Supplement No. 1-IV, as the Securities involve risks not associated with conventional debt securities. We urge you to consult your investment, legal, tax, accounting and other advisors before you invest in the Securities.

You may access these documents on the SEC website at www.sec.gov as follows (or if such address has changed, by reviewing our filings for the relevant date on the SEC website):

- Product Supplement No. 1-IV dated April 2, 2010: http://www.sec.gov/Archives/edgar/data/897878/000095010310000969/crt_424b2.pdf

- Prospectus Supplement dated April 2, 2010: http://www.sec.gov/Archives/edgar/data/897878/000095010310001004/crt_dp17140-424b2.pdf

- Prospectus dated April 2, 2010: http://www.sec.gov/Archives/edgar/data/897878/000095010310000965/crt_424b2.pdf

Our Central Index Key, or CIK, on the SEC website is 897878. As used in this Pricing Supplement, the “Company,” “we,” “us” or “our” refers to The Royal Bank of Scotland N.V.; “Holdings” refers to RBS Holdings N.V.

These Securities may not be offered or sold (i) to any person/entity listed on sanctions lists of the European Union, United States or any other applicable local competent authority; (ii) within the territory of Cuba, Sudan, Iran and Myanmar; (iii) to residents of Cuba, Sudan, Iran or Myanmar; or (iv) to Cuban Nationals, wherever located.

We reserve the right to withdraw, cancel or modify any offering of the Securities and to reject orders in whole or in part prior to their issuance.

Reverse ExchangeableSM is a Service Mark of The Royal Bank of Scotland N.V.

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Reverse Exchangeable Securities (REXs)

SUMMARY

The following summary does not contain all the information that may be important to you. You should read this summary together with the more detailed information that is contained in Product Supplement No. 1-IV and in the accompanying Prospectus and Prospectus Supplement. You should carefully consider, among other things, the matters set forth in “Risk Factors” in the Product Supplement No. 1-IV, which are summarized on page 7 of this Pricing Supplement. In addition, we urge you to consult with your investment, legal, accounting, tax and other advisors with respect to any investment in the Securities.

What are the Securities?

The Securities are non-principal protected securities issued by us, The Royal Bank of Scotland N.V., and are fully and unconditionally guaranteed by our parent company, RBS Holdings N.V. The Securities will pay periodic cash payments at a fixed rate. We refer to the payments as the coupon or coupon payments and the fixed rate as the coupon rate. The Securities are senior notes of The Royal Bank of Scotland N.V. These Securities combine certain features of debt and equity by offering a fixed coupon rate on the face amount while the payment at maturity is determined based on the performance of the common stock, which we refer to as the Underlying Shares of an Underlying Company. Therefore your principal is at risk but you have no opportunity to participate in any appreciation of the Underlying Shares.

Any payment on the Securities is subject to the creditworthiness (ability to pay) of The Royal Bank of Scotland N.V. and RBS Holdings N.V., as guarantor

What will I receive at maturity of the Securities?

The payment at maturity of the Securities will depend on (i) whether or not the closing price of the Underlying Shares fell below the knock-in level on any trading day during the period from but not including the pricing date, to and including the determination date (which we refer to as the knock-in period), and if so, (ii) the closing price of the Underlying Shares on the determination date. Except in certain circumstances described under “Description of Securities — Closing Price” in the accompanying Product Supplement, we will usually determine the closing price for any listed Underlying Shares by reference to the last reported sale price, during regular trading hours (or if listed on The NASDAQ Stock Market LLC, the official closing price), on the primary U.S. securities exchange on which the Underlying Shares are traded.

- If the closing price per Underlying Share has not fallen below the knock-in level on any trading day during the knock-in period, we will pay you the face amount of each Security in cash.

- If the closing price per Underlying Share has fallen below the knock-in level on any trading day during the knock-in period, we will either:

- deliver to you the redemption amount, in exchange for each Security, in the event that the closing price of the Underlying Shares on the determination date is below the closing price on the pricing date (subject to adjustment), which we refer to as the initial price (the market value of the redemption amount on the determination date will always be less than the face amount of $1,000 per Security); or

- pay you the face amount of each Security in cash, in the event that the closing price of the Underlying Shares is at or above the initial price on the determination date.

If due to events beyond our reasonable control, as determined by us in our sole discretion, Underlying Shares are not available for delivery at maturity we may pay you, in lieu of the redemption amount, the cash value of the redemption amount, determined by multiplying the redemption amount by the closing price of the Underlying Shares on the determination date.

The “redemption amount” is, for each $1,000 face amount of a Security, a number of the Underling Shares equal to $1,000 divided by the initial price of the Underlying Shares. The initial price and consequently the redemption amount may be adjusted for certain corporate events, such as a stock split or merger, affecting the Underlying Company.

The payment at maturity is further subject to adjustment in certain circumstances, such as a stock split or merger, which we describe in “Description of Securities — Adjustment Events” in the accompanying Product Supplement No. 1-IV.

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Any payment at maturity is subject to the creditworthiness (ability to pay) of The Royal Bank of Scotland N.V. and RBS Holdings N.V., as guarantor.

Why is the coupon rate on the Securities higher than the interest rate payable on your conventional debt securities with the same maturity?

The Securities offer a higher coupon rate than the yield that would be payable on a conventional debt security with the same maturity issued by us or an issuer with a comparable credit rating because you, the investor in the Securities, indirectly sell a put option to us on the Underlying Shares. The premium due to you for this put option is combined with a market interest rate on our senior debt to produce the higher coupon rate on the Securities. As explained below under "What are the consequences of the indirect put option that I have sold you?" you are being paid the premium for taking the risk that you may receive Underlying Shares with a market value less than the face amount of your Securities at maturity, which would mean that you would lose some or all of your initial principal investment.

What are the consequences of the indirect put option that I have sold you?

The put option you indirectly sell to us creates the feature of exchangeability. This feature could result in the delivery of Underlying Shares to you, at maturity, with a market value which is less than the face amount of $1,000 per Security. If the closing price of the Underlying Shares falls below the knock-in level on any trading day during the knock-in period, and on the determination date the closing price of the Underlying Shares is less than the initial price, you will receive the redemption amount. The market value of the Underlying Shares on the determination date will be less than the face amount of the Securities and could be zero. In such a case, you may lose some or all of your initial principal investment. If the price of the Underlying Shares rises above the initial price you will not participate in any appreciation in the price of the Underlying Shares.

How is the redemption amount determined?

The redemption amount for each $1,000 face amount of any Security is equal to $1,000 divided by the initial price of the Underlying Shares linked to such Security. The value of any fractional shares of the Underlying Shares that you are entitled to receive, after aggregating your total holdings of the Securities linked to the Underlying Shares, will be paid in cash based on the closing price of the Underlying Shares on the determination date.

Do I get all my principal back at maturity?

You are not guaranteed to receive any return of principal at maturity. If the closing price of the Underlying Shares falls below the knock-in level on any trading day during the knock-in period, and the closing price of the Underlying Shares is below the initial price on the determination date, we will deliver to you Underlying Shares. The market value of the Underlying Shares on the determination date will be less than the face amount of the Securities and could be zero. Accordingly, you may lose some or all of your initial principal investment in the Securities.

What coupon payments can I expect on the Securities?

The coupon rate is fixed at issue and the coupon payment is payable in cash on each coupon payment date, irrespective of whether the Securities are redeemed at maturity for cash or shares.

Any coupon payment is subject to the creditworthiness (ability to pay) of The Royal Bank of Scotland N.V. and RBS Holdings N.V., as guarantor.

Can you give me an example of the payment at maturity?

If, for example, in a hypothetical offering, the coupon rate was 10% per annum, the initial price of the Underlying Shares was $45.00 per share and the knock-in level for such offering was 80%, then the redemption amount would be 22.222 Underlying Shares, or $1,000 divided by $45.00, and the knock-in level would be $36.00, or 80% of the initial price.

If the closing price of the hypothetical Underlying Shares fell below the knock-in level of $36.00 on any trading day during the knock-in period, then the payment at maturity would depend on the closing price of the Underlying Shares on the determination date. In this case, if the closing price of the Underlying Shares on the determination date is $30.00 per

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share, which is below the initial price, you would receive 22.222 Underlying Shares for each $1,000 face amount of the Securities. In actuality, because we cannot deliver fractions of a share, you would receive on the maturity date for each $1,000 face amount of the Securities, 22 Underlying Shares plus $6.66 cash in lieu of 0.222 fractional shares, determined by multiplying 0.222 by $30.00, the closing price of the Underlying Shares on the determination date. In addition, over the term of the Securities you would have received coupon payments at a rate of 10% per annum. In this hypothetical example, the market value of those 22 Underlying Shares (including the cash paid in lieu of fractional shares) that we would deliver to you at maturity for each $1,000 face amount of a Security would be $666.66, which is less than the face amount of $1,000, and you would have lost a portion of your initial investment. If, on the other hand, the closing price of the Underlying Shares on the determination date is $50.00 per share, which is above the initial price, you will receive $1,000 in cash for each $1,000 face amount of the Securities regardless of the knock-in level having been breached. In addition, over the term of the Securities you would have received coupon payments at a rate of 10% per annum.

Alternatively, if the closing price of the Underlying Shares never falls below $36.00, which is the knock-in level, on any trading day during the knock-in period, at maturity you will receive $1,000 in cash for each Security you hold regardless of the closing price of the Underlying Shares on the determination date. In addition, over the term of the Securities you would have received coupon payments at a rate of 10% per annum.

This example is for illustrative purposes only and is based on a hypothetical offering. For determining the value of the payment at maturity, we have assumed that the closing price of the Underlying Shares will be the same on the maturity date, when they are delivered to investors in the Securities, as on the determination date. It is not possible to predict the closing price of the Underlying Shares on the determination date or at any time during the term of the Securities. For each offering, we will set the initial price, knock-in level and redemption amount on the Pricing Date.

In this Pricing Supplement, we have also provided under the heading "Hypothetical Sensitivity Analysis of Total Return of the Securities at Maturity" the total return of owning the Securities through maturity for various closing prices of the Underlying Shares on the determination date.

Do I benefit from any appreciation in the Underlying Shares over the term of the Securities?

No. The amount paid at maturity for each $1,000 face amount of the Securities will never exceed $1,000.

What is the minimum required purchase?

You may purchase Securities in minimum denominations of $1,000 or in integral multiples thereof.

Is there a secondary market for Securities?

The Securities will not be listed on any securities exchange. Accordingly, there may be little or no secondary market for the Securities and, as such, information regarding independent market pricing for the Securities may be extremely limited. You should be willing to hold your Securities until the maturity date.

Although it is not required to do so, we have been informed by our affiliate that when this offering is complete, it intends to make purchases and sales of the Securities from time to time in off-exchange transactions. If our affiliate does make such a market in the Securities, it may stop doing so at any time.

In connection with any secondary market activity in the Securities, our affiliate may post indicative prices for the Securities on a designated website or via Bloomberg. However, our affiliate is not required to post such indicative prices and may stop doing so at any time. Investors are advised that any prices shown on any website or Bloomberg page are indicative prices only and, as such, there can be no assurance that any trade could be executed at such prices. Investors should contact their brokerage firm for further information.

In addition, the issue price of the Securities includes the selling agents' commissions paid with respect to the Securities and the cost of hedging our obligations under the Securities. The cost of hedging includes the profit component that our affiliate has charged in consideration for assuming the risks inherent in managing the hedging of the transactions. The fact that the issue price of the Securities includes these commissions and hedging costs is expected to adversely affect the secondary market prices of the Securities. See "Risk Factors — The Inclusion of Commissions and

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Cost of Hedging in the Issue Price is Likely to Adversely Affect Secondary Market Prices" and "Use of Proceeds" in the accompanying Product Supplement No. 1-IV.

What is the relationship between The Royal Bank of Scotland N.V., RBS Holdings N.V. and RBS Securities Inc.?

RBS Securities Inc., which we refer to as RBSSI, is an affiliate of The Royal Bank of Scotland N.V. and RBS Holdings N.V. RBSSI will act as calculation agent for the Securities, and is acting as agent for this offering. RBSSI will conduct this offering in compliance with the requirements of NASD Rule 2720 of the Financial Industry Regulatory Authority Inc., which is commonly referred to as FINRA, regarding a FINRA member firm's distribution of the securities of an affiliate. See "Risk Factors — Potential Conflicts of Interest between Holders of Securities and the Calculation Agent" and "Plan of Distribution (Conflicts of Interest)" in the accompanying Product Supplement No. 1-IV.

Tell me more about The Royal Bank of Scotland N.V. and RBS Holdings N.V.

The Royal Bank of Scotland N.V. is the new name of ABN AMRO Bank N.V.

RBS Holdings N.V. is the new name of ABN AMRO Holding N.V.

On February 6, 2010, ABN AMRO Bank N.V. changed its name to The Royal Bank of Scotland N.V. and on April 1, 2010 ABN AMRO Holding N.V. changed its name to RBS Holdings N.V.

The name changes are not changes of the legal entities that will issue and guarantee, respectively, the Securities referred to herein, and the name changes do not affect any of the terms of the Securities. The Securities will continue to be issued by The Royal Bank of Scotland N.V. and to be fully and unconditionally guaranteed by The Royal Bank of Scotland N.V.'s parent company, RBS Holdings N.V.

While the name "ABN AMRO Bank N.V." is used by a separate legal entity, which is owned by the State of the Netherlands (the "Dutch State"), neither the separate legal entity named ABN AMRO Bank N.V. nor the Dutch State will, in any way, guarantee or otherwise support the obligations under the Securities.

The Royal Bank of Scotland N.V. and RBS Holdings N.V. are both affiliates of The Royal Bank of Scotland plc and The Royal Bank of Scotland Group plc; however, none of The Royal Bank of Scotland plc, The Royal Bank of Scotland Group plc or the UK government, in any way, guarantees or otherwise supports the obligations under the Securities.

For additional information, see "The Royal Bank of Scotland N.V. and RBS Holdings N.V." in the accompanying prospectus dated April 2, 2010.

Where can I find out more about the Underlying Company?

Because the Underlying Shares are registered under the Securities Exchange Act of 1934, as amended, the Underlying Company is required to file periodically certain financial and other information specified by the Commission which is available to the public. You should read "Public Information Regarding the Underlying Shares" in this Pricing Supplement to learn how to obtain public information regarding the Underlying Shares and other important information. The historical highest intra-day price, lowest intra-day price and last day closing price of the Underlying Shares are set forth under the heading "Public Information Regarding the Underlying Shares" in this Pricing Supplement.

What if I have more questions?

You should read "Description of Securities" in the accompanying Product Supplement No. 1-IV for a detailed description of the terms of the Securities. RBS N.V. has filed a registration statement (including a Prospectus and Prospectus Supplement) with the SEC for the offering to which this communication relates. Before you invest, you should read the Prospectus and Prospectus Supplement in that registration statement and other documents RBS N.V. has filed with the SEC for more complete information about RBS N.V. and the offering of the Securities. You may get these documents for free by visiting EDGAR on the SEC web site at www.sec.gov. Alternatively, RBS N.V., any underwriter or any dealer participating in the offering will arrange to send you the Prospectus and Prospectus Supplement if you request it by calling toll free (866) 747-4332.

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RISK FACTORS

You should carefully consider the risks of the Securities to which this Pricing Supplement relates and whether these Securities are suited to your particular circumstances before deciding to purchase them. It is important that prior to investing in these Securities you read the Product Supplement No. 1-IV related to such Securities and the accompanying Prospectus and Prospectus Supplement to understand the actual terms of and the risks associated with the Securities. In addition, we urge you to consult with your investment, legal, accounting, tax and other advisors with respect to any investment in the Securities.

Credit Risk

The Securities are issued by RBS N.V. and guaranteed by RBS Holdings N.V., RBS N.V.'s parent company. As a result, investors in the Securities assume the credit risk of RBS N.V. and that of RBS Holdings N.V. in the event that RBS N.V. defaults on its obligations under the Securities. This means that if RBS N.V. and RBS Holdings N.V. fail, become insolvent, or are otherwise unable to pay their obligations under the Securities, you could lose some or all of your initial principal investment.

Although We Are a Bank, the Notes Are Not Bank Deposits and Are Not Insured or Guaranteed by the Federal Deposit Insurance Corporation, The Deposit Insurance Fund or any Other Government Agency

The Notes are our obligations but are not bank deposits. In the event of our insolvency the Notes will rank equally with our other unsecured, unsubordinated obligations and will not have the benefit of any insurance or guarantee of the Federal Deposit Insurance Corporation, The Deposit Insurance Fund or any other governmental agency.

Principal Risk

The Securities are not ordinary debt securities: they are not principal protected. In addition, if the closing price of the Underlying Shares falls below the knock-in level on any trading day during the knock-in period, investors in the Securities will be exposed to any decline in the price of the Underlying Shares below the closing price of the Underlying Shares on the date the Securities were priced. Accordingly, you may lose some or all of your initial principal investment in the Securities.

Limited Return

The amount payable under the Securities will never exceed the original face amount of the Securities plus the applicable aggregate fixed coupon payment investors earn during the term of the Securities. This means that you will not benefit from any price appreciation in the Underlying Shares, nor will you receive dividends paid on the Underlying Shares, if any. Accordingly, you will never receive at maturity an amount greater than a predetermined amount per Security, regardless of how much the price of the Underlying Shares may increase during the term of the Securities or on the determination date. The return on a Security may be significantly less than the return on a direct investment in the Underlying Shares to which the Security is linked during the term of the Security.

Liquidity Risk

The Securities will not be listed on any securities exchange. Accordingly, there may be little or no secondary market for the Securities and information regarding independent market pricing of the Securities may be very limited or non-existent. The value of the Securities in the secondary market, if any, will be subject to many unpredictable factors, including then prevailing market conditions.

It is important to note that many factors will contribute to the secondary market value of the Securities, and you may not receive your full principal back if the Securities are sold prior to maturity. Such factors include, but are not limited to, time to maturity, the price of the Underlying Shares, volatility and interest rates.

In addition, the price, if any, at which our affiliate or another party is willing to purchase Securities in secondary market transactions will likely be lower than the issue price, since the issue price included, and secondary market prices are likely to exclude, commissions, discounts or mark-ups paid with respect to the Securities, as well as the cost of hedging our obligations under the Securities.

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Holdings of the Securities by Our Affiliates and Future Sales

Certain of our affiliates may purchase for investment the portion of the Securities that has not been purchased by investors in a particular offering of Securities, which initially they intend to hold for investment purposes. As a result, upon completion of such an offering, our affiliates may own up to 15% of the aggregate face amount of the Securities. Circumstances may occur in which our interests or those of our affiliates could be in conflict with your interests. For example, our affiliates may attempt to sell the Securities that they had been holding for investment purposes at the same time that you attempt to sell your Securities, which could depress the price, if any, at which you can sell your Securities. Moreover, the liquidity of the market for the Securities, if any, could be substantially reduced as a result of our affiliates holding the Securities. In addition, our affiliates could have substantial influence over any matter subject to consent of the security holders.

Potential Conflicts of Interest

We and our affiliates play a variety of roles in connection with the issuance of the Securities, including acting as calculation agent. In performing these duties, the economic interests of the calculation agent and other affiliates of ours are potentially adverse to your interests as an investor in the Securities. We and our affiliates may carry out hedging activities that minimize our risks related to the Securities, including trading in the Underlying Shares. In particular, on or prior to the date of this Pricing Supplement, we, through our affiliates, may have hedged our anticipated exposure in connection with the Securities by taking positions in the Underlying Shares, options contracts on Underlying Shares listed on major securities markets, and/or other instruments that we deemed appropriate in connection with such hedging. Our purchase activity, however, could potentially have increased the initial price of the Underlying Shares, and therefore increased the knock-in level, below which we would be required to deliver to you at maturity Underlying Shares, which, in turn, would have a value less than the face amount of your Securities.

No Affiliation with the Underlying Company

The Underlying Company is not an affiliate of ours and is not involved with this offering in any way. The obligations represented by the Securities are our obligations, not those of the Underlying Company. Investing in the Securities is not equivalent to investing in the Underlying Shares. Neither we nor Holdings nor any of our affiliates have any affiliation with the Underlying Company, and are not responsible for the Underlying Company's public disclosure of information, whether contained in SEC filings or otherwise.

$	
	1,765,519

**Less than $.01

No dividends have been declared or paid during the periods presented.

Results of Operations Fiscal 2005 Compared with Fiscal 2004

Revenues and Cost of Sales —Consolidated gross sales increased $1,071,599, or 34%, for the year ended June 30, 2005 (“fiscal 2005”) compared to the year ended June 30, 2004 (“fiscal 2004”). Construction sales consisted of product sales, engineering, delivery and installation fees. Engineering sales consisted of fees for engineering services. Gross profit increased $498,079 (38%) from fiscal 2004 to fiscal 2005.

The increase in construction revenues was due to several factors, including adding inside sales support for outside sales reps, thereby freeing up the reps to make more daily contacts; increased marketing efforts, such as regular seminars for building inspectors and architects on our systems and services; and strengthened dealer relationships. Also, product prices were raised in the third quarter to compensate for the increasing cost of steel. In addition, we experienced heightened demand for our pour over systems for fiscal 2005 compared to 2004 which had the added benefit of increasing related installation fees. Growth in engineering sales resulted from both higher demand and quicker turnaround time on jobs.

Cost of sales rose $573,520 overall (31%) in fiscal 2005 compared to fiscal 2004. On the construction side, cost of sales increased $543,086 (33%), while cost of engineering sales increased only $30,434 (16%). The rise in construction costs was due primarily to the higher steel prices we faced in fiscal 2005. However, efforts were made to secure as much steel as possible just prior to the new higher prices taking effect, thereby alleviating some of the impact of those increases. We anticipate that steel prices will continue to be high for the foreseeable future.

Administrative expenses —These costs increased $271,501, or29%, to $1,213,978 in fiscal 2005 from $942,477 in fiscal 2004. The increase was due primarily to higher advertising and marketing, insurance and payroll costs. The increase is mainly attributable to an increase in payroll costs from $474,660 in fiscal 2004 to $575,904 in fiscal 2005 or an increase of $101,244 (21%). We hired new personnel to capacitate the increase in sales and new customers in fiscal 2005.

Other Income (Expense) —We were eligible for and received $-0- from the Virginia Department of Business Assistance in fiscal 2005 as reimbursement for a portion of its employee training efforts compared to $9,244 in fiscal 2004. Due to the sale of our facilities in fiscal 2005 as mentioned above, we recorded a loss on the sale in the amount of $372,011 for fiscal 2005. Interest expense amounted to $16,296 in 2005 compared to $25,106 in 2004, a decrease of $8,810 and reflective of a complete repayment of our notes payable with the bank in fiscal 2005.

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Income Taxes —In fiscal 2005 our income tax expense was $63,599 compared to income tax expense of $114,417 in fiscal 2004. We increased our deferred tax liability by $9,947 in 2005. The primary components of the deferred tax liability relate to timing differences between book and tax depreciation and the treatment of goodwill amortization.

Liquidity and Capital Reserves —Cash flows provided by operations in fiscal 2005 were $250,415 versus cash flows provided by operations in fiscal 2004 of $212,452, a change of $37,963. The increase in cash flows from operations was primarily attributable to lower net income attributable to the loss on the sale of our facilities and increases in accounts payable and current income taxes payable, both of which will require future cash outlays. We also used $112,649 for capital improvements and purchases of fixed assets, while approximately $600,000 was recouped from asset disposals in fiscal 2005. Financing activities in fiscal 2005 used $540,895 compared to $19,827 used in fiscal 2004. The main use of funds in 2004 was $50,000 paid to a stockholder for his Metwood common stock, while funds in 2005 used in financing activities was a net decrease in borrowings under our line-of-credit agreement of $422,000 attributable to the repayment of the notes payable in fiscal 2005. We also repaid all notes payables in fiscal 2005.

We have historically funded its cash needs through operating income and credit line draws as needed. It will continue to rely on sales revenue as its main source of liquidity and will incur debt primarily to fund inventory purchases as sales growth produces increased product demand. Liquidity needs that cannot be met by current sales revenue may also arise in certain unusual circumstances such as has previously occurred when rain and snow significantly slowed construction activity and resulted in a corresponding decline in demand for our products. In those circumstances, debt may be added to meet our fixed costs and to maintain inventory in anticipation of a spurt in product demand that generally occurs once a weather-related slowdown has ended.

On a long-term basis, we also anticipate that product demand will increase considerably as it continues to expand its marketing and advertising campaign, which may include the use of television, radio, print and internet advertising. Efforts are well underway to increase the number of out-of-state sales representatives/brokers who will market our products throughout the country. As sales increase, we can add a second shift to meet the additional product demand without having to use funds to expand its production facilities. If additional cash becomes necessary to fund its growth, we may raise this capital through an additional follow-on stock offering rather than taking on more debt. However, there can be no assurance that we will be able to obtain additional equity or debt financing in the future. If we are unable to raise additional capital as needed, our growth potential will be adversely affected, and we would have to significantly modify its plans.

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Item 7. Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of
Metwood, Inc.

We have audited the accompanying consolidated balance sheets of Metwood, Inc. (a Nevada corporation) and subsidiary as of June 30, 2004 and 2003, and the related consolidated statements of income, stockholders' equity, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Metwood, Inc. and subsidiary as of June 30, 2004 and 2003, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

McLeod & Company

Roanoke, Virginia
September 17, 2004

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Bongiovanni & Associates, CPA's

17111 Kenton Drive, Suite 100-B
Cornelius, North Carolina 28031

Business: (704) 892-8733
Facsimile: (704) 892-6487

REPORT OF INDEPENDENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
Metwood, Inc.
819 Naff Road
Boones Mill, Virginia 24065

We have audited the accompanying consolidated balance sheet of Metwood, Inc. (a Nevada corporation) and its wholly-owned subsidiary as of June 30, 2005 and the related consolidated statements of income, stockholders' equity, and cash flows for the year ended June 30, 2005. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Metwood, Inc. and its wholly owned subsidiary as of June 30, 2005, and the consolidated results of its operations and its cash flows for the year ended June 30, 2005 in conformity with accounting principles generally accepted in the United States of America.

Bongiovanni & Associates, P.A.
Charlotte, North Carolina
September 23, 2005

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METWOOD, INC. AND WHOLLY OWNED SUBSIDIARY
Balance Sheet
At June 30, 2005

ASSETS

CURRENT ASSETS		
Cash and Cash Equivalents	$	234,607
Accounts Receivable, net of Allowance of $8,505		484,034
Inventory		729,461
Recoverable Income Taxes		30,666
Prepaid Expenses and Other Current Assets		68,223
TOTAL CURRENT ASSETS		1,546,991
FIXED ASSETS		
Furniture, Fixtures and Equipment		44,173
Computer Hardware, Software & Peripherals		127,074
Machinery and Shop Equipment		258,367
Vehicles		282,046
		711,660
Accumulated Depreciation		(366,651)
Net Fixed Assets		345,009
OTHER ASSETS		
Goodwill		253,088
TOTAL ASSETS	$	2,145,088
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts Payable	$	218,435
Accrued Expenses		45,855
Customer Deposits		5,000
Income Taxes Payable		21,318
TOTAL CURRENT LIABILITIES		290,608
LONG-TERM LIABILITIES		
Deferred Income Taxes, Net	$	88,961
COMMITMENT - NOTE 4		
STOCKHOLDERS' EQUITY		
Common Stock ($.001 par value, 100,000,000 shares authorized:		
11,877,499 shares issued and outstanding at June 30, 2005)		11,878
Common Stock Not Yet Issued ($.001 par value, 10,950 shares)		11
Additional Paid-in-Capital		1,304,818

Retained Earnings		448,812
TOTAL STOCKHOLDERS' EQUITY		1,765,519
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$	2,145,088

See notes to consolidated audited financial statements and auditors' report

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METWOOD, INC. AND WHOLLY OWNED SUBSIDIARY
Income Statements
For the Years Ending June 30, 2005 and 2004

		2005		2004
REVENUES AND COST OF SALES:				
Construction Sales	$	3,838,966	$	2,779,220
Engineering Sales		342,314		330,461
Gross Sales		4,181,280		3,109,681
Cost of Construction Sales		2,181,168		1,638,082
Cost of Engineering Sales		223,112		192,678
Gross Cost of Sales		2,404,280		1,830,760
Gross Profit		1,777,000		1,278,921
ADMINISTRATIVE EXPENSES:				
Advertising		145,296		82,473
Construction/Bidding Data		14,813		18,668
Depreciation		53,817		53,197
Insurance		53,652		43,729
Office Expense		52,563		26,391
Payroll Expense		575,904		474,660
Professional Fees		43,073		43,197
Research and Development		6,920		30,871
Telephone		28,695		22,763
Travel		24,518		15,404
Vehicle Expense		28,477		19,984
Other		186,250		111,140
TOTAL EXPENSES		1,213,978		942,477
OPERATING INCOME		563,022		336,444
Loss on Sale of Fixed Assets		(372,011)		-
Other Income (Expense)		(6,417)		157
Income Before Income Taxes		184,594		336,601
Income Taxes		(63,599)		(114,417)
Net Income	$	120,995	$	222,184
Net Income Per Common Share				
Basic & Fully Diluted	$	0.01	$	0.02
Weighted Average Common				
Shares Outstanding		11,876,204		11,984,082

See notes to consolidated audited financial statements and auditors' report

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METWOOD, INC. AND WHOLLY OWNED SUBSIDIARY
Statement of Stockholders' Equity
For the Years Ending June 30, 2005 and 2004

	Common Shares (000's)	Common Stock ($.001 Par)	Common Shares Not Yet Issued (000's)	Common Stock Not Yet Issued ($.001 Par)	Additional Paid-in Capital	Retained Earnings
Balances, July 1, 2003	12,046	$ 12,046	11	11	$ 1,343,047	$ 105,633
Net income for year	-0-	-0-	-0-	-0-	-0-	222,184
Common stock retired	(275)	(275)	-0-	-0-	(49,725)	-0-
Issuance of common stock for services	5	5	-0-	-0-	3,495	-0-
Issuance of common stock subscribed	8	8	(8)	(8)	-0-	-0-
Previously canceled common stock reinstated	79	79	-0-	-0-	(79)	-0-
Balances, June 30, 2004	11,863	$ 11,863	3	$ 3	$ 1,296,738	$ 327,817
Net income for year	-0-	-0-	-0-	-0-	-0-	120,995
Common stock subscribed but not yet issued	-0-	-0-	8	8	-0-	-0-
Issuance of common stock for services rendered	3	3	-0-	-0-	1,967	-0-
Issuance of common stock subscribed	12	12	-0-	-0-	6,113	-0-
Balances, June 30, 2005	11,878	$ 11,878	11	$ 11	$ 1,304,818	$ 448,812

See notes to consolidated audited financial statements and auditors' report

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METWOOD, INC. AND WHOLLY OWNED SUBSIDIARY
Statements of Cash Flows
For the Years Ending June 30, 2005 and 2004

	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 120,995	$ 222,184
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	108,536	99,616
Bad debt expense	8,855	12,302
Provision for deferred income taxes	(9,947)	31,689
Loss on sale of fixed assets	372,011	-
Common stock issued for services	1,970	3,500
(Increase) decrease in operating assets:		
Accounts receivable	(80,258)	(144,519)
Inventory	(96,236)	(286,755)
Prepaid expenses and other current assets	(40,874)	(13,812)
Recoverable income taxes	(30,666)	25,187
Increase (decrease) in operating liabilities:		
Accounts payable, accrued expenses and customer deposits	(65,462)	203,233
Current income taxes payable	(38,509)	59,827
NET CASH PROVIDED BY OPERATING ACTIVITIES	250,415	212,452
CASH FLOWS FROM INVESTING ACTIVITIES:		
Disposals of fixed assets	600,000	2,314
Expenditures for fixed assets	(112,649)	(166,685)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	487,351	(164,371)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Common stock retired	-	(50,000)
Proceeds from issuance of common stock	6,125	-
Borrowings from (repayment of) notes payable	(125,020)	2,419
Net borrowings from (repayment of) related party	-	10,154
Net borrowings from (repayment of) line of credit	(422,000)	17,600
NET CASH (USED IN) FINANCING ACTIVITIES	(540,895)	(19,827)
NET INCREASE IN CASH AND CASH EQUIVALENTS	196,871	28,254
CASH AND CASH EQUIVALENTS:		

Beginning of year	37,736	9,482
End of year	$ 234,607	$ 37,736

See notes to consolidated audited financial statements and auditors' report

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METWOOD, INC. AND WHOLLY OWNED SUBSIDIARY
Consolidated Notes To Audited Financial Statements
For the Years Ended June 30, 2005 and 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business Activity - Metwood, Inc. (the Company) was organized under the laws of the State of Virginia on April 7, 1993.

Effective June 30, 2000, the Company entered an Agreement and Plan of Reorganization to acquire the majority of the outstanding common stock of a publicly held shell corporation. The acquisition resulted in a tax-free exchange for federal and state income tax purposes. Upon acquisition, the name of the shell corporation was changed to Metwood, Inc. (a Nevada corporation). Metwood, Inc. (a Virginia corporation) became a wholly owned subsidiary of Metwood, Inc. (a Nevada corporation). The transaction was accounted for as a reverse merger in accordance with Accounting Principles Board ("APB") Opinion No. 16 wherein the stockholders of Metwood, Inc. (a Virginia corporation) retained the majority of the outstanding common stock of the Company after the merger. The publicly traded shell corporation did not have a material operating history for several years prior to the merger.

Effective January 1, 2002, the Company acquired certain assets of Providence Engineering, PC ("Providence"), a professional engineering firm with customers in the same proximity as the Company. The total purchase price of $350,000 was paid with $60,000 in cash and with 290,000 shares of the Company's common stock to the two Providence shareholders. These shares were valued at the closing active quoted market price of the stock at the effective date of the purchase, which was $1.00 per share. One of the shareholders of Providence was also an officer and existing shareholder of the Company prior to the acquisition. The transaction was accounted for under the purchase method of accounting, and the purchase price was allocated as follows:

Accounts receivable	$ 75,000
Fixed assets	45,000
Goodwill	230,000
Total	$ 350,000

During the year ended June 30, 2003, liabilities assumed at the date of acquisition were identified and paid. The amount of the liabilities paid was $23,088 and has been added to goodwill.

The consolidated company provides construction-related products and engineering services to residential customers and contractors, commercial contractors, developers and retail enterprises, primarily in southwestern Virginia.

METWOOD, INC. AND WHOLLY OWNED SUBSIDIARY
Consolidated Notes To Audited Financial Statements
For the Years Ended June 30, 2005 and 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Basis of Presentation — The financial statements include the accounts of Metwood, Inc. (a Nevada corporation) and its wholly owned subsidiary, Metwood Inc. (a Virginia corporation) prepared in accordance with accounting principles generally accepted in the United States of America and pursuant to the rules and regulations of the Securities and Exchange Commission. All significant intercompany balances and transactions have been eliminated.

Fair Value of Financial Instruments - The carrying amounts reported in the consolidated balance sheet for cash, accounts receivable, inventory, accounts payable and accrued expenses approximate fair values based on the short-term maturity of these instruments.

Accounts Receivable — The Company grants credit in the form of unsecured accounts receivable to its customers based on an evaluation of their financial condition. The Company performs ongoing credit evaluations of its customers. The estimate of the allowance for doubtful accounts, which is charged off to bad debt expense, is based on management's assessment of current economic conditions and historical collection experience with each customer. At June 30, 2005 allowance for doubtful accounts was $8,505. Specific customer receivables are considered past due when they are outstanding beyond their contractual terms and are charged off to the allowance for doubtful accounts when determined uncollectible. For the years ended June 30, 2005 and 2004, the bad debt expense was $8,855 and $12,302, respectively.

Fixed Assets - Fixed assets are recorded at cost and include expenditures that substantially increase the productive lives of the existing assets. Maintenance and repair costs are expensed as incurred. Depreciation is provided using the straight-line method. Depreciation of fixed assets is calculated over management prescribed recovery periods that range from three to thirty years.

When a fixed asset is disposed of, its cost and related accumulated depreciation are removed from the accounts. The difference between undepreciated cost and the proceeds from disposition is recorded as a gain or loss.

Management's Use of Estimates — The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. At June 30, 2005, the significant estimates used by management include the valuation of its goodwill. Actual results could differ from those estimates.

METWOOD, INC. AND WHOLLY OWNED SUBSIDIARY
Consolidated Notes To Audited Financial Statements
For the Years Ended June 30, 2005 and 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Cash and Cash Equivalents — For purposes of the Consolidated Statements of Cash Flows, the Company considers liquid investments with an original maturity of three months or less to be cash equivalents. The Company maintains its cash in bank deposit accounts, which, at times, may exceed the federally insured limit of $100,000. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

Revenue Recognition — Revenue is recognized when goods are shipped and earned or when services are performed, provided collection of the resulting receivable is probable. If any material contingencies are present, revenue recognition is delayed until all material contingencies are eliminated. Further, no revenue is recognized unless collection of the applicable consideration is probable.

Income Taxes — Income taxes are accounted for in accordance with SFAS No. 109, "Accounting for Income Taxes." A deferred tax asset or liability is recorded for all temporary differences between financial and tax reporting and for net operating loss carry forwards, where applicable. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or the entire deferred tax asset will not be realized. Deferred tax assets and liabilities are adjusted for the effect of changes in tax laws and rates on the date of enactment.

Earnings Per Common Share — Basic earnings per share amounts are based on the weighted average shares of common stock outstanding. If applicable, diluted earnings per share would assume the conversion, exercise or issuance of all potential common stock instruments such as options, warrants and convertible securities, unless the effect is to reduce a loss or increase earnings per share. This presentation has been adopted for the years presented. There were no adjustments required to net income for the years presented in the computation of diluted earnings per share.

Advertising — The Company expenses advertising costs as incurred. However, certain expenditures are treated as prepaid (such as trade show fees) if they are for goods or services which will not be received until after the end of the accounting period, and they are subsequently recognized as expenses in those periods in which the goods or services are received.

Inventory - Inventory, consisting of metal and wood raw materials located in the Company's leased premises and is stated at the lower of cost or market using the first-in, first-out (FIFO) method.

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METWOOD, INC. AND WHOLLY OWNED SUBSIDIARY
Consolidated Notes To Audited Financial Statements
For the Years Ended June 30, 2005 and 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Patents — The Company has been assigned several key product patents developed by certain Company officers. No value has been recorded in the Company's financial statements because the fair value of the patents was not determinable within reasonable limits at the date of assignment.

Research and Development — The Company performs research and development on its metal/wood products, new product lines, and new patents. Costs, if any, are expensed as they are incurred. For the years ended June 30, 2005 and 2004, the expenses relating to research and development were $6,920 and $30,872, respectively.

Goodwill — In June 2001 the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets." This statement requires that goodwill and intangible assets deemed to have an indefinite life not be amortized. Instead, such assets are to be tested for impairment annually or immediately if conditions indicate that such an impairment could exist. Transition to the new rules of SFAS 142 requires the completion of a transitional impairment test of goodwill within the first year of adoption. The Company adopted the provisions of SFAS 142 beginning July 1, 2002 and completed the transitional impairment test of goodwill as of July 1, 2002 and again as of June 30, 2004 and 2005 using discounted cash flow estimates and found no goodwill impairment.

Recent Accounting Pronouncements - In January 2003, the FASB issued FIN No. 46, "Consolidation of Variable Interest Entities". FIN No. 46 requires the consolidation of entities that cannot finance their activities without the support of other parties and that lack certain characteristics of a controlling interest, such as the ability to make decisions about the entity's activities via voting rights or similar rights. The entity that consolidates the variable interest entity is the primary beneficiary of the entity's activities. FIN No. 46 applies immediately to variable interest entities created after January 31, 2003, and must be applied in the first period beginning after June 15, 2003 for entities in which an enterprise holds a variable interest entity that it acquired before February 1, 2003. The Company plans to adopt this Interpretation in the first quarter of fiscal 2004.

In January 2003, the EITF released Issue No. 00-21, ("EITF 00-21"), "Revenue Arrangements with Multiple Deliveries", which addressed certain aspects of the accounting by a vendor for arrangement under which it will perform multiple revenue-generating activities. Specifically, EITF 00-21 addresses whether an arrangement contains more than one unit of accounting and the measurement and allocation to the separate units of accounting in the arrangement. EITF 00-21 is effective for revenue arrangements entered into in fiscal periods beginning after June 15, 2003. The adoption of this standard will not have an impact on the Company's financial statements.

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METWOOD, INC. AND WHOLLY OWNED SUBSIDIARY
Consolidated Notes To Audited Financial Statements
For the Years Ended June 30, 2005 and 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Recent Accounting Pronouncements (Cont.) - In May 2003, the FASB issued SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities." SFAS No. 149 amends and clarifies accounting for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities under SFAS No. 133. SFAS No. 149 is effective for contracts entered into or modified after June 30, 2003 and for hedging relationships designated after June 30, 2003. The Company does not believe that there will be any impact on its financial statements.

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity." SFAS No. 150 establishes standards for how companies classify and measure certain financial instruments with characteristics of both liabilities and equity. It requires companies to classify a financial instrument that is within its scope as a liability (or an asset in some circumstances). SFAS No. 150 is effective for financial
instruments entered into or modified after May 31, 2003. The standard will not impact the Company's financial statements.

In December 2004, the FASB issued SFAS No. 123(R), "Accounting for Stock-Based Compensation". SFAS 123(R) establishes standards for the accounting for transactions in which an entity exchanges its equity instruments for goods or services. This Statement focuses primarily on accounting for transactions in which an entity obtains employee services in share-based payment transactions. SGAS 123(R) requires that the fair value of such equity instruments be recognized as expense in the historical financial statements as services are performed. Prior to SFAS 123(R), only certain pro-forma disclosures of fair value were required. SFAS 123(R) shall be effective for the Company as of the beginning of the first interim or annual reporting period that begins after December 15, 2005. The adoption of this new accounting pronouncement is expected to have a material impact on the financial statements of the Company commencing with the third quarter of the year ending September 30, 2006. Small business issuers need not comply with the new standard until fiscal periods beginning after December 15, 2005. We already disclose expense of employee stock options for annual and quarterly periods on fair value calculation according to SFAS No.123.

In November 2004, the FASB issued SFAS No. 151, “Inventory Costs” (SFAS 151). This Statement amends the guidance in ARB No. 43, Chapter 4, “Inventory Pricing,” to clarify the accounting for abnormal amounts of idle facility expense, freight, handling costs, and wasted material (spoilage). SFAS 151 requires that those items be recognized as current-period charges. In addition, this Statement requires that allocation of fixed production overheads to the costs of conversion be based on the normal capacity of the production facilities. The provisions of SFAS 151 are effective for inventory costs incurred in fiscal years beginning after June 15, 2005.

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METWOOD, INC. AND WHOLLY OWNED SUBSIDIARY
Consolidated Notes To Audited Financial Statements
For the Years Ended June 30, 2005 and 2004

NOTE B - SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental disclosures of cash flow information for the years ended June 30, 2004 and 2005 are summarized as follows:

		2004		2005
Cash paid for :				
Income taxes	$	—	$	141,917
Interest	$	21,888	$	16,296

Supplemental disclosures of non-cash investing and financing activities:

		2004		2005
Vehicles acquired with notes payable	$	16,000	$	—
Fixed assets acquired by exchange of related party receivable	$	160,555	$	—
Land transferred in payment for services	$	(89,000)	$	—

NOTE C - RELATED PARTY TRANSACTIONS

For the years ended June 30, 2005 and 2004, the Company had sales of $129,234 and $98,428 to its shareholder and CEO, Robert Callahan, respectively. As of June 30, 2005, the related receivable with Mr. Callahan was $-0-.

Also, from time to time, the Company contracts with a construction company 50% owned by the Company’s CEO which provides capital improvements and maintenance work on the Company’s buildings and grounds. During the years ended June 30, 2005 and 2004, the construction company billed the Company $-0- and $160,555, respectively, for its services. The Company also purchased two vehicles from the construction company for a total of $16,000 during the year ended June 30, 2004.

During the year ended June 30, 2004, the Company transferred land at its book and fair market value of $89,000 to the construction company in partial payment of the amounts due the construction company. Additionally, because the construction company is owned by the Company’s CEO, the Company’s receivable from its CEO was reduced by offsetting it against the Company’s payable to the related construction company.

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METWOOD, INC. AND WHOLLY OWNED SUBSIDIARY
Consolidated Notes To Audited Financial Statements
For the Years Ended June 30, 2005 and 2004

NOTE D - COMMITMENT

During the year ended June 30, 2003, the Company implemented a stock-based incentive compensation plan for its employees. Participating employees have an after-tax deduction withheld by the Company throughout the calendar year. As of December 31 of each year, the employee is considered vested in the plan, and the Company will match the participating employee's withheld amounts. The Company may also make a discretionary contribution based upon pay incentives or attendance. Periodically, the Company will purchase restricted stock on behalf of the employee in the amount of his withholdings, the Company's match, and any discretionary contributions.

As of June 30, 2005, the Company had ten participating employees who withheld an amount immaterial to the consolidated financial statements. No accrual for the Company's match has been made in the current year.

NOTE E - SHORT-TERM BORROWINGS AND CREDIT ARRANGEMENTS

The Company has available a $600,000 revolving line of credit with a local bank. Interest is payable monthly on the outstanding balance at the prime lending rate, which was 4.0% as of June 30, 2005. The note is secured by accounts receivable, equipment, general intangibles, inventory, and fixtures and furniture and is personally guaranteed by the Company's CEO. The balance outstanding as of June 30, 2005 was $-0- because the Company fully repaid the line with the proceeds from the sale of its facilities during the year ended June 30, 2005. See footnote G below for discussion of the sale.

In addition, the Company fully repaid its bank notes payable and credit corporation note in full during the year ended June 30, 2005 with the proceeds from the sale of its facilities.

NOTE F - EQUITY

During the years ended June 30, 2005 and 2004, the Company issued 3,300 and 11,200 common shares in payment for services valued at $1,970 and $9,600, respectively. These shares were valued at the fair market value of the shares at the time of issuance as determined by a third party source. The Company also retired 275,000 common shares previously issued to a shareholder and Metwood officer in exchange for $50,000 cash during the year ended June 30, 2004.

During the year ended June 30, 2005, the Company issued 12,450 common shares in exchange for cash in the amount of $6,125.

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METWOOD, INC. AND WHOLLY OWNED SUBSIDIARY
Consolidated Notes To Audited Financial Statements
For the Years Ended June 30, 2005 and 2004

NOTE G - SALE OF FIXED ASSETS AND RELATED OPERATING LEASE

During the year ended June 20, 2005, the Company entered into a sales and leaseback transaction with a related party. The Company sold its various buildings at its corporate headquarters which house its manufacturing plants, executive offices, and other buildings for $600,000 in cash. The Company simultaneously entered into a commercial lease agreement with this entity whereby the Company is committed to lease back these same properties for $6,200 per month over a ten year term expiring on December 31, 2014. Rent expense charged to operations for the year ended June 30, 2005 was $37,300.

Future minimum rental payments as of December 31, 2004 in the aggregate and for each of the five succeeding years and thereafter are as follows:

Year		Amount
2006	$	74,400
2007		74,400
2008		74,400
2009		74,400
2010		74,400
Thereafter		334,800
	$	706,800

NOTE H - INCOME TAXES

The components of income tax expense consist of:

		2004		2005
Current:				
Federal	$	67,788	$	46,785
State		14,940		6,867
		82,728		53,652
Deferred:				
Federal		25,219		5,111
State		6,470		4,836
		31,689		9,947
		114,417		
Total income tax expense	$		$	63,599

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NOTE H - INCOME TAXES (CONT.)

The reconciliation of the provision for income taxes at the U. S. federal statutory income tax rate of 39% to the Company's income taxes is as follows:

Income before income taxes	$ 336,601	$ 184,594
Income tax expense computed at the statutory rate	131,274	71,992
State income tax, net of federal tax effect	13,060	6,867
Non-deductible expenses	1,576	(1,693)
Tax-exempt state workforce development funding	(3,605)	(4,086)
Effect of graduated income tax rates	(30,013)	(9,481)
Other	2,125	—
Total income tax expense	$ 114,417	$ 63,599

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for federal and state income tax purposes. Deferred tax liabilities at June 30, 2005 were $89,993, net of deferred tax assets of $1,032. The components of these amounts are as follows:

Depreciation	$ 71,197
Amortization of goodwill	18,796
Restricted stock compensation	(1,032)
Net deferred tax liabilities	$ 88,961

NOTE I - CONCENTRATIONS

There is no single customer or group of related customers from whom the Company derived more than 10% of its accounts receivable as of June 30, 2005. The Company is potentially vulnerable to a concentration-related risk with respect to its metal suppliers, however, since three vendors supply approximately 70% of the metal used in the manufacture of the Company's products, though these vendors have been used primarily because of their competitive pricing. Several other metal suppliers are available to the Company, but purchasing from them, should that become necessary, would likely result in increased costs.

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METWOOD, INC. AND WHOLLY OWNED SUBSIDIARY
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NOTE J - SEGMENT INFORMATION

The Company operates in two principal business segments: (1) construction-related products and (2) engineering services. Performance of each segment is evaluated based on profit or loss from operations before income taxes. These reportable segments are strategic business units that offer different products and services. Summarized revenue and expense information by segment for the years ended June 30, 2004 and 2005 is as follows:

		2004		2005
Construction:				
Sales	$	2,779,220	$	3,838,966
Cost of sales		(1,638,082)		(2,181,168)
Corporate and other expenses		(958,647)		(1,579,875)
Segment income	$	182,491	$	77,923
Total assets	$	2,245,164	$	1,724,298
Capital expenditures	$	317,377	$	96,764
Depreciation	$	87,695	$	95,980
Interest expense	$	22,392	$	16,288

		2004		2005
Engineering:				
Sales	$	330,461	$	342,314
Cost of sales		(192,678)		(223,112)
Corporate and other expenses		(98,101)		(76,130)
Segment income	$	39,682	$	43,072)
Total assets	$	411,870	$	420,790
Capital expenditures	$	9,863	$	15,885
Depreciation	$	11,921	$	12,556
Interest expense	$	—	$	8

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Item 8A. Controls and Procedures

a. Our Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of our disclosure controls and procedures, as defined in Rules 13a-15(e) under the Securities Exchange Act of 1934 (the “Exchange Act”), as of the end of the period covered by this Annual Report (the “Evaluation Date”). Based on such evaluation, such officers have concluded that, as of the Evaluation Date, our disclosure controls and procedures are effective in alerting our management on a timely basis to material information required to be disclosed in our reports filed under the Exchange Act.

b. There have been no significant changes in our internal controls or in other factors that could significantly affect such controls since the Evaluation Date.

PART III

Item 9. Directors and Executive Officers of the Registrant

Identification of Directors and Executive Officers

The following table sets forth the names and the nature of all positions and offices held by all directors and executive officers for the year ending June 30, 2005 and to the date of the filing of this report and the periods during which each such director or executive officer has served in his or her respective positions:

Name	Position and Background
Robert M. Callahan	**President**

Mr. Callahan has been involved in the building industry for over thirty years. He is well recognized in southwestern Virginia as an innovator in the uses of passive solar design and wood/metal products in custom home building. Along with Mr. Ronald Shiflett, he formed Metwood, Inc. in 1993 to bring light-gage construction, used in commercial building for years, into common use in residential construction.

Shawn A. Callahan **Secretary/Treasurer, Vice President/General Manager, Chief Financial Officer**

Education: B.S. Computer Science and Mathematics, Virginia Military Institute

Since starting with Metwood, Inc. in May 1996, Mr. Callahan has played a major role in our restructuring, increasing production, improving efficiency, and developing computer aids for us.

Ronald B. Shiflett **Vice President**

Education: B.S. Civil Engineering, Virginia Polytechnic Institute & State University
M.S. Civil Engineering, Virginia Polytechnic Institute & State University

Mr. Shiflett has been engaged in the structural design of industrial, commercial, residential, and institutional buildings for over twenty-five years. He is recognized by the design community in southwestern Virginia as an innovator in the use and design of light-gage steel framing in building construction. Along with Mr. Callahan, he formed Metwood, Inc. in 1993.

Term of Office

The term of office of the current directors shall continue until new directors are elected or appointed.

Family Relationships

Robert Callahan is the father of Shawn Callahan.

Involvement in Certain Legal Proceedings

Except as indicated below and to the knowledge of management, during the past five years, no present or former director, person nominated to become a director, executive officer, promoter or control person of us:

(1) was a general partner or executive officer of any business by or against which any bankruptcy petition was filed, whether at the time of such filing or two years prior thereto;

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(2) was convicted in a criminal proceeding or named the subject of a pending criminal proceeding (excluding traffic violations and other minor offenses);

(3) was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities;

(4) was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any federal or state authority barring, suspending or otherwise limiting for more than sixty days the right of such person to engage in any activity described above under this Item, or to be associated with persons engaged in any such activity; or

(5) was found by a court of competent jurisdiction (in a civil action), the Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, nor has a judgment been reversed, suspended, or vacated.

Compliance with Section 16(a) of the Exchange Act

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our directors, officers and persons who own more than 10% of our common stock or other registered class of equity securities to file reports of ownership and changes in ownership with the Securities and Exchange Commission. Officers, directors and greater than 10% shareholders are required to furnish us with copies of all Section 16(a) forms they file.

Based solely on a review of the forms received covering purchase and sale transactions in our common stock during the fiscal year ended June 30, 2005, we believe that each person who, at any time during that period, was a director, executive officer, or beneficial owner of more than 10% of our common stock complied with all Section 16(a) filing requirements except as follows: Ronald Shiflett failed to timely report sale transactions in January and April 2004.

Item 10. Executive Compensation

The following table sets forth in summary form the compensation received during each of our last three fiscal years by our President and Chief Executive Officer, Robert M. Callahan:

Summary Compensation Table

Fiscal Year	**Annual Salary**	**Bonuses**	**Other Compen-sation**	**Restricted Stock Awards**	**LTIP Options**	**Restricted Stock Bonuses**
	(1)	(2)	(3)	(4)	(5)	(5)
2005	$120,000	-0-	-0-	-0-	-0-	-0-
2004	$109,200	-0-	-0-	-0-	-0-	-0-
2003	$97,500	-0-	-0-	-0-	-0-	-0-

(1) The dollar value of base salary (cash and non-cash) received, including amounts paid to Carolyn Callahan, wife of Robert M. Callahan.

(2) The dollar value of bonuses (cash and non-cash) received.

(3) During the periods covered by the table, we did not pay any other annual compensation not properly categorized as salary or bonus, including perquisites and other personal benefits, securities or property.

(4) During the periods covered by the table, we did not make any award of restricted stock.

(5) We currently have no stock option or restricted stock bonus plans.

No member of our management has been granted any option or stock appreciation right; accordingly, no tables relating to such items have been included within this item.

Compensation of Directors

There are no standard arrangements pursuant to which our directors are compensated for any services provided as director. No additional amounts are payable to our directors for committee participation or special assignments.

There are no arrangements pursuant to which any of our directors was compensated during our last completed fiscal year or the previous two fiscal years for any services provided as director.

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Termination of Employment and Change of Control Arrangement

There are no compensatory plans or arrangements, including payments to be received from us, with respect to any person named in the Summary Compensation Table set out above which would in any way result in payments to any such person because of his resignation, retirement or other termination of such person's employment with us or our subsidiaries, or any change in control of us, or a change in the person's responsibilities following a change in control of us.

Item 11 . Security Ownership of Certain Beneficial Owners and Management

Security Ownership of Certain Beneficial Owners

The following table sets forth the shares held by those persons who owned more than five percent of Metwood's common stock as of September 28, 2005, based upon 11,877,499 shares outstanding:

Greater Than 5% Owners

Title of Class	Name and Address of Beneficial Owner	No. of Shares	Percent of Class
Common	Robert Callahan 819 Naff Road Boones Mill, VA 24065	5,564,665(1)	46.8%
Common	Ronald Shiflett 819 Naff Road Boones Mill, VA 24065	2,151,282	18.2%
Common	Shawn Callahan 819 Naff Road Boones Mill, VA 24065	1,004,550	8.5%

(1) Includes direct and indirect interests. There are 2,000,000 common shares included in this amount that are owned in the names of family members of Mr. Callahan.

Security Ownership of Management

The following table sets forth the shares held by Metwood directors and officers as of September 28, 2005:

Management Ownership

Title of Class	Name and Address of Beneficial Owner	No. of Shares	Percent of Class

Common	Robert Callahan 819 Naff Road Boones Mill, VA 24065	5,564,665(1)	46.8%
Common	Ronald Shiflett 819 Naff Road Boones Mill, VA 24065	2,151,282	18.2%
Common	Shawn Callahan 819 Naff Road Boones Mill, VA 24065	1,004,550	8.5%

(1) Includes direct and indirect interests. There are 2,000,000 common shares included in this amount that are owned in the names of family members of Mr. Callahan.

* Less than 1%

Ownership of shares by directors and officers of Metwood as a group: 73.5%

Changes in Control

We know of no contractual arrangements which may at a subsequent date result in a change our control.

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Item 12 . Certain Relationships and Related Transactions

Following are the transactions between Metwood and members of management, directors, officers, 5% shareholders, and promoters of Metwood:

We contract with a construction company 50% owned by our CEO which provides capital improvements and maintenance work on our buildings and grounds. During the years ended June 30, 2005 and 2004, the construction company billed us $-0- and $160,555, respectively, for its services. We also purchased two vehicles from the construction company for a total of $16,000 during fiscal 2004.

We transferred land at our book and fair market value of $89,000 to the construction company in partial payment of the amounts due the construction company. Additionally, because the construction company is owned by our CEO, our receivable from the CEO was reduced by offsetting it against our payable to the related construction company. This occurred during fiscal 2004.

On January 3, 2005, we entered into a sales and leaseback transaction with Cahas Mountain Properties, LLC (“Cahas”). Cahas is an LLC that is partially owned by members of the Callahan family which are also officers and directors of us. We sold our various buildings at our corporate headquarters which house our manufacturing plants, executive offices, and other buildings on January 3, 2005 for $600,000 in cash. We simultaneously entered into a commercial lease agreement with this entity whereby we committed to lease back these same properties for $6,200 per month over a ten year term. We paid $37,300 in rent to Cahas during fiscal 2005.

Item 13 . Exhibits and Reports on Form 8-K

(a) Exhibits

See index to exhibits

(b) Reports on Form 8-K

Forms 8-K filed during the year ended June 30, 2005 are incorporated by reference. We issued Form 8-K’s for 1) the change in auditors and 2) the sales and leaseback transaction relating to our facilities during the year ended June 30, 2005.

Item 14 . Principal Accountant Fees and Services

The following table sets forth the aggregate fees billed by Bongiovanni & Associates, CPA’s and McLeod & Company for audit services rendered in connection with the consolidated financial statements and reports for the years ended June 30, 2005 and 2004:

	2005	2004
Audit fees	$ 15,500	$ 18,500
Audit-related fees	—	—
Tax fees	—	—
All other fees	—	—
Total fees	$ 15,500	$ 18,500

Audit fees : Consist of fees billed for professional services rendered for the audits of our consolidated financial statements and reviews of the interim consolidated financial statements included in quarterly reports and services that are normally provided by our auditors in connection with statutory and regulatory filings or engagements and attest services, except those not required by statute or regulation.

Audit-related fees : Consist of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our consolidated financial statements and are not reported under "Audit fees." These services include accounting consultations in connection with the Sarbanes-Oxley Act of 2002.

Tax fees : Consist of fees billed for tax compliance, tax advice and tax planning services.

All other fees : Consist of fees billed for all other services other than those reported above.

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SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act of 1934, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: September 28, 2005	*/s/ Robert M. Callahan* Robert M. Callahan President, CEO and Director
Date: September 28, 2005	*/s/ Ronald B. Shiflett* Ronald B. Shiflett Vice-President and Director
Date: September 28, 2005	*/s/ Shawn A. Callahan* Shawn A. Callahan Secretary/Treasurer and Director/CFO

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INDEX TO EXHIBITS

NUMBER	DESCRIPTION OF EXHIBIT
3(i)*	Articles of Incorporation
3(ii)*	By-Laws
31.1	Certification of Chief Executive Officer Pursuant to Securities Exchange Act Rules 13a-14 and 15d-14 as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer Pursuant to Securities Exchange Act Rules 13a-14 and 15d-14 as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Section 1350 Certifications of Chief Executive Officer
32.2	Section 1350 Certifications of Chief Financial Officer

*Incorporated by reference on Form 8-K, filed February 16, 2000