

Tassal Group Limited



Growth Initiatives & Equity Raising

2 March 2017

Not for distribution or release in the United States

Important notices and disclaimer



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Important notices and disclaimer (cont.)



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Key highlights



- **Since the beginning of FY16, Tassal has invested c. \$130 million into its salmon production capacity and expanding its access to the broader seafood market via the acquisition of De Costi Seafoods (cash consideration c. \$49 million)**
 - Funded from operating cash flow and utilisation of debt facilities
- **Tassal today announces a number of additional and accelerated growth initiatives to meet the continued growth in domestic demand for salmon and take advantage of the ongoing strength in operating conditions**
 - Over the next 5 years Tassal plans to invest in working capital and biomass growth, 'state of the art' equipment, new lease sites and additional processing capacity
 - Tassal expects these initiatives to enhance its growth trajectory and increase revenues and operational earnings from FY18
- **These initiatives will be funded via an underwritten \$80 million institutional placement ('Placement') and a non-underwritten share purchase plan ('SPP') capped at \$20 million¹**
 - Provides Tassal with the appropriate operational and financial flexibility to implement its growth initiatives
 - Immediately following the completion of the Placement and SPP, pro forma net debt / LTM Dec-16 EBITDA will be within the range of 1.3x – 1.5x (including Receivables Purchase Facility)
- **Tassal has also established new credit facilities since 1H17 results were announced which will further strengthen the balance sheet and lower Tassal's risk profile**

¹ Tassal reserves the right to increase the size of the SPP depending on the level of subscription or to scale back oversubscriptions

Growth initiatives



- Tassal is investing in a range of working capital and capital investment initiatives that are expected to deliver an additional 2,500 – 3,000 hog tonnes of harvested salmon each year to FY21
- Forecast capex over next 5 years of c. \$270 million with forecast return on this capital expected to exceed current levels

Overview of Key Initiatives

Investment

	Overview of Key Initiatives	Investment
Increased Fish Size	<ul style="list-style-type: none"> • Acceleration of improved fish harvest size to 5kg hog supported by increased working capital funding, primarily for feed • Expected to deliver improved sales profile, lower cost of salmon (per hog kg), lower cost of processing and improved sales margins in the short and medium term 	<ul style="list-style-type: none"> • Forecast additional working capital investment in feed of: <ul style="list-style-type: none"> ○ c. \$31 million in FY17 ○ c. \$7 million in FY18
Increased Fish Performance – Survival & Feed Conversion Ratio	<ul style="list-style-type: none"> • Accelerated rollout of improved net technology, reducing wildlife interactions and improving survival (target 90%) <ul style="list-style-type: none"> ○ New pens, grow-out nets and wildlife nets to provide salmon an appropriate sanctuary for the fish • Implementation of new state of the art fish feeding barges and technologies, to improve feed conversion rates and unit costs of feeding 	<ul style="list-style-type: none"> • Forecast c. \$70 million capex on net technology over 4 years • Forecast c. \$25 million capex on feeding barges and technologies over 5 years
Farming Expansion in Okehampton and Oceanic Sites in Storm Bay	<ul style="list-style-type: none"> • Okehampton (Triabunna) approved – fish to be stocked in FY18 • Final stages of EIS development for the West of Wedge Oceanic Farming Expansion, targeting approval in 2017 with stocking of Stage 1 in early 2018 • Port Arthur lease (current lease) to support initial salmon stocking for ultimate growout at West of Wedge • Supporting sustainable growth in harvest biomass – to fulfil demand growth in domestic per capita consumption and allow access to key export opportunities 	<ul style="list-style-type: none"> • Forecast c. \$53 million capex over 3 years
Processing Expansion	<ul style="list-style-type: none"> • Further investment in production automation and processing capacity across De Costi and Tassal’s Salmon operations to meet increased demand and to lower costs 	<ul style="list-style-type: none"> • Forecast c. \$16 million over 3 years

Flexibility to optimise biomass



Investing in both fish size (target 5kg hog) and survival (target 90%) is expected to deliver strong financial returns

- **Selective Breeding Program is delivering improved growth and reductions in Amoebic Gill Disease**
- **Current growing conditions are favourable – we just need to allow fish an increased time at sea**
 - Favourable water conditions have allowed Tassal to capture growth and the biomass gain of Tassal's 2016 Year Class is trending ahead of expectations
 - To fully benefit from these conditions, the optimal strategy is to allow the salmon more time at sea
- **With a step change in underlying biomass - Tassal now plans to accelerate its investment in feeding and growing salmon**
- **Investment in biomass is expected to drive future earnings growth**
 - Optimises sales channel mix (and revenue) between the domestic market (<5.0kg hog) and with the export market (>5.0kg hog)
 - Delivers scale and operational cost efficiencies – feed is circa 55%-60% of the cost of a fish with the balance of costs across the supply chain being predominantly fixed
- **Strong balance sheet provides Tassal with the operational and financial flexibility to support investment in biomass and lower Tassal's risk profile – 60% of the cost of a Year Class is spent before the first fish is harvested**

Tassal's strategic focus and outlook



- **Tassal's strategic focus continues to be delivering sustainable growth and global best practice returns**
 - Maintain a healthy environment to ensure a sustainable aquaculture industry
 - Targeting a more favourable sales mix to optimise salmon pricing
 - Delivering strong gains in salmon growth, survival, biomass and feed conversion from salmon Selective Breeding Program
 - Increase salmon and seafood consumption across all domestic market segments
- **Tassal expects these initiatives to enhance its growth trajectory and generate increased revenues and operational earnings from FY18**
 - Current favourable salmon pricing in wholesale and export markets forecast to continue as a result of domestic and global supply constraints, supported by an ability to flex supply and sales mix to optimise returns
 - Favourable growing conditions driving a step change in fish size and biomass will flow through to salmon earnings with scale and cost of production efficiencies from fish to be harvested from FY18 onwards
 - Balance sheet to support ongoing investment in feeding and growing salmon to optimise biomass and size – 3 year working capital and 3 - 5 year capital cycle

Tassal has the right strategy in place to be a world leading seafood company from an environmental, operational, financial and societal value perspective

New credit facilities

Tassal has put new banking facilities in place, which are expected to further strengthen the balance sheet

- New credit facilities have been established since 1H17 results were announced which are expected to further strengthen Tassal’s balance sheet
- Rabobank has joined Westpac and Bankwest in Tassal’s banking syndicate
- The increased tenor of the facilities gives Tassal certainty as it continues to invest in capital investment initiatives and in feeding and growing salmon

Facility	Size	Maturity
Term facility	\$51 million	June 2021
Revolving working capital facility	\$132 million	June 2021

Placement and SPP details



Institutional Placement	<ul style="list-style-type: none">• Fully underwritten institutional placement ("Placement") of c. 18 million shares (representing c.12% of shares on issue prior to the Placement) to raise \$80 million• The price per share under the Placement is fixed at \$4.55 ("Placement Price")• The Placement Price represents a 7.1% discount to the closing price on Wednesday, 1 March 2017
Share Purchase Plan	<ul style="list-style-type: none">• A non-underwritten share purchase plan ("SPP") is available to eligible shareholders in Australia and New Zealand• Participation is limited to \$15,000 of new Tassal shares per eligible shareholder• The SPP is capped at \$20 million and Tassal reserves the right to increase this amount or scale back applications under the SPP at its absolute discretion• The SPP price will be \$4.475 (equal to the Placement Price less \$0.075¹)• Full details of the SPP will be set out in the SPP Offer Booklet, which will be lodged with ASX and sent to eligible securityholders in due course
Risks	<ul style="list-style-type: none">• Investors are encouraged to review the risk considerations detailed on slides 11 to 15 of this presentation
Ranking	<ul style="list-style-type: none">• All new shares issued will rank equally with existing Tassal shares• Shares issued under the Placement <u>will be</u> eligible for the dividend for the six months ending 31 December 2016• Shares issued under the SPP <u>will not be</u> eligible for the dividend for the six months ending 31 December 2016

¹ Deduction of \$0.075 from the Placement Price reflects that shares issued under the SPP will not be eligible for the dividend for the six months ending 31 December 2016

Offer timetable



Placement	Date
Trading halt and Placement conducted	Thursday, 2 March 2017
Resume trading, announce results of Placement	Friday, 3 March 2017
Placement settlement	Tuesday, 7 March 2017
Allotment and trading of New Shares issued under the Placement	Wednesday, 8 March 2017

Share Purchase Plan (SPP)	Date
Record Date for SPP	7:00pm AEDT, Wednesday, 1 March 2017
Expected SPP offer opening date	Monday, 13 March 2017
Expected SPP offer closing date	Wednesday, 29 March 2017
SPP Allotment Date	Wednesday, 5 April 2017
Holding Statements dispatch date	Friday, 7 April 2017
SPP shares expected to commence trading on ASX	Monday, 10 April 2017

Dates and times are indicative only and are subject to change.

Appendix A

Overview of risks

Risks overview and operating risks



This section discusses the key risks attaching to an investment in shares in Tassal, which may affect the future operating and financial performance of Tassal and the value of Tassal shares. Before investing in Tassal shares, you should consider whether this investment is suitable for you having regard to publicly available information (including this Presentation), your personal circumstances and following consultation with financial or other professional advisers. Additional risks and uncertainties that Tassal is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect Tassal's operating and financial performance.

Shareholders should note that the occurrence or consequences of some of the risks described in this section are partially or completely outside the control of Tassal, its Directors and senior management. Further, Shareholders should note that this description focuses on the potentially key risks and does not purport to list every risk that Tassal may have now or in the future. It is also important to note that there can be no guarantee that Tassal will achieve its stated objectives or that any forward looking statements or forecasts contained in this document will be realised or otherwise eventuate. Shareholders should satisfy themselves that they have a sufficient understanding of these matters, including the risks described in this section, and have regard to their own investment objectives, financial circumstances and taxation position.

Operating risks

Fish diseases and viruses

There is a risk of an outbreak of disease in fish stock of Tassal, whether arising within Tassal's marine farm sites or from neighbouring producers' marine farm sites, and consequential mortality rates could reduce the value of Tassal's fish stock and result in lower production and therefore have a material adverse impact on Tassal's operations, profits and financial performance. Fish disease is an inherent risk to fish farming operations. There are numerous types of fish diseases and viruses that can affect Tassal's fish stock.

Algae blooms

Algae bloom is harmful to salmon and result in large scale salmon mortality. An outbreak of algae blooms could therefore have a material adverse impact on Tassal's operations, profits and financial performance.

Seals and jelly fish

There are many seals in South East Australia including around Tassal's marine farm sites and there is a risk that seals could breach nets and eat fish or otherwise stress fish and consequently cause significant damage to Tassal's fish stock. Toxic jellyfish is also a risk to Tassal's fish stock and can cause salmon mortalities.

Climate and environmental conditions

There is a risk of adverse environmental conditions which can negatively impact fish stock survival and inhibit the growth of fish. Warmer water temperatures can result in lower salmon growth rates and increase salmon mortalities. Floods and storms could also cause interruptions to Tassal's operations and materially impact financial performance.

Smolt and stockfeed supply

There is a risk of substantial disruption to smolt supply and if this occurred, there could be a substantial reduction in harvest in following years, which would result in a material adverse impact on Tassal's profit and financial performance. Similarly, if there was a substantial disruption to stockfeed supply stockfeed this could result in a material adverse impact on Tassal's operations, profit and financial performance.

Operating risks (cont.)



Overstocking

Whilst reasonable precautions are taken, overstocking in the marine farm sites adversely affects growing conditions and causes fish stress and this in turn adversely impacts on the health and welfare of the fish.

Permitted biomass levels in Macquarie Harbour

In January 2017, the Tasmanian Environmental Protection Authority announced that it was reducing the limit on the total biomass of finfish permitted within the aquaculture leases of Macquarie Harbour to 14,000 tonnes. Tassal had already voluntarily reduced its stocking levels in Macquarie Harbour and agrees that the regulatory adjustment is necessary. While Tassal believes that it will be able to sustainably scale up in its other lease areas and activate unutilised areas, there is a risk that it will be unable to add capacity elsewhere to offset lower stocking levels in Macquarie Harbour without temporarily affecting production rates.

One of Tassal's competitors, Huon Aquaculture, has filed actions in the Federal Court and the Tasmanian Supreme Court seeking, among other things, a review of the EPA's determination on the basis that the 14,000 tonne limit is more than Macquarie Harbour can sustainably maintain and that the total biomass should be reduced to a level at or below 10,000 tonnes. Tassal has announced that it intends to join the action opposing Huon's application and supporting the regulator's decision. If Huon is successful in its application, or the Tasmanian Environmental Protection Authority reduces the limit on the total biomass limit below 14,000 tonnes, Tassal's permitted biomass in Macquarie Harbour may be significantly reduced, which could materially adversely affect its production, revenue and profitability.

Supply of fresh water

Fresh water is important for salmon farming operations especially with the marine farms and hatcheries. There is a risk to Tassal's operations if the availability of fresh water supply was substantially limited. Consequently, this could have a material impact on Tassal's operations and financial performance.

Food safety

Like other food producers, there is a risk of food contamination and product recalls. There is also a risk of food poisoning, whether due to a failure to comply with food safety procedures or unlawful product tampering. Incidents of food poisoning may adversely affect Tassal's reputation and result in lower sales and also product claims and regulatory action.

Stockfeed and energy prices

There is a risk of increases in stockfeed prices and if there was a substantial increase, this would result in a material adverse impact on Tassal's profit and financial performance. Similarly, a substantial increase in energy or fuel costs would have a material impact on Tassal's profit and financial performance.

Regulatory risks

Federal, State and local laws and regulations (including the granting of marine leases, quotas and water licences) affect Tassal's operations. There is a risk that a failure to comply with such laws or an adverse decision or change in policy by a regulatory authority could occur, which may result in the loss or reduction of permits or licences or quotas required by Tassal to operate its hatcheries, marine farms or processing facilities or even damages, penalties or fines.

Salmon prices and major customers

If there was a substantial reduction in demand for salmon or in the salmon price or if Tassal loses a major customer, this would materially adversely affect Tassal's profit and financial performance.

Damage to the brand and business reputation

Tassal's brands are important assets to the business. The perception and reputation of the brands and its business and its management as high quality and credible could be adversely impacted by a number of factors, including:

- product quality and recall and safety incidents or issues;
- environmental and animal welfare groups;
- negative media and press; and
- material breach of any laws or regulations or any material adverse finding or determination of any inquiries or investigations by any parliamentary body or regulatory authority.

Significant deterioration of the Tassal brands or reputation could have an adverse impact on Tassal's profit and financial performance.

Operating risks (cont.)



Loss of key management personnel and shortages of skilled personnel

The loss of key management personnel or the inability to recruit or retain suitable skilled personnel may adversely impact sales and margins, reduce overall profitability and have an adverse effect on Tassal's operations and financial performance.

Possible deterioration in competitive position

Tassal faces competition from other salmon and other seafood producers. There is a risk that an existing or new entrant to the market might aggressively attempt to grow its market share through acquisitions, increased advertising and marketing and price cutting. Such activities may cause Tassal's competitive position to deteriorate. Any deterioration in Tassal's competitive position may result in a decline in revenue and margins and a loss of market share which may have an adverse effect on Tassal's profit and financial performance.

Litigation and proceedings

Tassal may be the subject of complaints, proceedings or litigation by customers, suppliers, employees, parliamentary or regulatory bodies or other third parties. Such matters may have an adverse effect on Tassal's reputation, divert its financial and management resources from more beneficial uses, or have a material adverse effect on Tassal's financial performance.

Senate Privileges Committee investigation

During 2015, an Australian Senate Committee conducted an inquiry into the fin-fish aquaculture industry in Tasmania. In February 2017, the Senate referred for inquiry to the Senate Standing Committee of Privileges (the "Privileges Committee") a matter as to whether there was any improper influence of a witness with respect to giving evidence before the inquiry. If the Privileges Committee were to conclude that Tassal or its officers had such an influence, the Senate could find either or both of Tassal and the relevant officers in contempt of the Senate and impose penalties, which could include fines and imprisonment. Law enforcement bodies may also make related enquiries.

While Tassal does not believe that it improperly influenced the witness involved, it takes this matter seriously, and there can be no certainty as to the outcome of the Privileges Committee investigation or any related law enforcement proceeding. Although the amount of any fine would not be material to Tassal's financial results, a finding of contempt may adversely affect Tassal's reputation. Until it is concluded, management time and attention may be diverted to dealing with the inquiry.

Workplace relations risks

Tassal staff members operate under a modern award and are subject to the terms and conditions of the Fair Work Act. Staffing costs are a substantial cost of Tassal and any material adverse change to the modern award, the Fair Work Act or adverse effect due to labour market forces may increase costs, reduce overall profitability and have an adverse effect on Tassal's financial performance. In addition, Tassal has obligations under the applicable work health and safety laws and regulations and a breach of those laws or regulations could result in damages and fines. Tassal's operations carry with it safety related risks and may on occasions be considered risky activities. Despite the relevant safeguards there is no guarantee a serious accident will not occur in the future. A serious accident may negatively impact the financial performance and/or financial position of Tassal.

Product sourcing

Loss or interruption to business of major suppliers, including delays or failures in receiving orders may result in increased product sourcing costs for Tassal or a reduction in the available range in one or more stores. This may in turn adversely impact sales and margins, reduce overall profitability and have an adverse effect on Tassal's financial performance.

Disruption of business operations

Tassal is exposed to a range of operational risks. Such operational risks include loss or damage to operating assets and equipment, equipment failures or breakdowns, human error, accidents, information system failures, external services failure, industrial action or disputes, inclement weather (including floods and storms) and natural disasters. While Tassal endeavours to take appropriate action to mitigate these operational risks and insure against many of them, it cannot completely remove all possible risks that may have an adverse impact on the financial performance and/or financial position of Tassal.

Aquaculture Stewardship Council audit

Tassal's operations are subject to an annual independent sustainability audit to assess its compliance with the requirements of its Aquaculture Stewardship Council certification. Such an audit is currently underway. ASC certification is an important independent verification of the sustainability of Tassal's operations and features prominently in Tassal's marketing. If this or any future audit were to determine that Tassal's operations are no longer in compliance with the ASC's requirements, Tassal could incur significant expenses and interruptions to operations to rectify any issues identified, or could lose its ASC certification, which could materially affect sales and therefore revenue and profitability.

Bank debt covenants

If Tassal's operational and financial performance declined, it could lead to a breach of its banking covenants. If Tassal breaches its covenants, its financiers could enforce their rights under the debt facilities and this may result in them requiring immediate repayment and therefore, this may have a materially adverse effect on Tassal's financial performance and position.

General risks



Foreign exchange rates

Tassal may incur some revenue and expenditure in US dollars or other local currencies. Where Tassal is materially exposed to fluctuations in foreign exchange rates, it will attempt to offset this exposure through the use of appropriate financial products, such as hedging or forward rate contracts. There may be circumstances where Tassal is unable to sufficiently minimise its exposure to foreign exchange rate movements where the cost of financial products is not commercially viable.

Financial markets risks

Share market conditions may affect the value of Tassal's quoted securities regardless of the operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform, environmental laws or other new legislation and regulation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and technology stocks in particular.

Economic and government risks

The future viability of the Company is also dependent on a number of other factors affecting performance of all industries and not just industries in which the Company currently or proposes to operate including, but not limited to, the following:

- general economic conditions in jurisdictions in which the Company currently or proposes to operate in;
- changes in government policies, taxation and other laws in jurisdictions in which the Company currently or proposes to operate in;
- the strength of the equity markets in Australia and throughout the world, and in particular investor sentiment towards the industries in which the Company currently or proposes to operate in;
- movement in, or outlook on, interest rates and inflation rates in jurisdictions in which the Company currently or proposes to operate in; and
- natural disasters, social upheaval or war in jurisdictions in which the Company currently or proposes to operate in.

Appendix B

Offer jurisdictions

Foreign selling restrictions



Foreign selling restrictions

This document does not constitute an offer of New Shares of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Australia

The information in this document has been prepared on the basis that all offers of New Shares will be made to Australian resident investors to whom an offer of shares for issue may lawfully be made without disclosure under Part 6D.2 of the Corporations Act 2001 (Cth). This document is not a prospectus, product disclosure statement or any other form of disclosure document regulated by the Corporations Act 2001 (Cth) and has not been and will not be lodged with ASIC. Neither ASIC or ASX take any responsibility for the contents of this document. Accordingly, this document may not contain all information which a prospective investor may require to make a decision whether to subscribe for New Shares and it does not contain all of the information which would otherwise be required by Australian law to be disclosed in a prospectus, product disclosure statement or any other form of disclosure document regulated by the Corporations Act 2001 (Cth). This document does not take into account the investment objectives, financial situation or needs of any particular person. Accordingly, before making any investment decision in relation to the offer of New Shares, you should assess whether the acquisition of New Shares is appropriate in light of your own financial circumstances or seek professional advice.

France

This document is not being distributed in the context of a public offering of financial securities (*offre au public de titres financiers*) in France within the meaning of Article L.411-1 of the French Monetary and Financial Code (*Code monétaire et financier*) and Articles 211-1 et seq. of the General Regulation of the French Autorité des marchés financiers ("AMF"). The New Shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.

This document and any other offering material relating to the New Shares have not been, and will not be, submitted to the AMF for approval in France and, accordingly, may not be distributed (directly or indirectly) to the public in France. Such offers, sales and distributions have been and shall only be made in France to qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in and in accordance with Articles L.411-2-II-2, D.411-1, L.533-16, L.533-20, D.533-11 to D.533-13, D.744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code and any implementing regulation.

Pursuant to Article 211-3 of the General Regulation of the AMF, investors in France are informed that the New Shares cannot be distributed (directly or indirectly) to the public by the investors otherwise than in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French Monetary and Financial Code.

Germany

The New Shares have not been and will not be offered, sold or publicly promoted or advertised in any Member State of the European Economic Area ("EEA") which has implemented the Prospectus Directive (each, a "Relevant Member State") other than in compliance with the Prospectus Directive or any other laws applicable in the EEA governing the issue, offering and sale of securities

No action has been taken, or will be taken, in any Relevant Member State to permit an offer to the public of any of the New Shares in that Relevant Member State. Accordingly, the New Shares are not being (and will not be) offered and will not be allocated to any person in Germany other than:

- (a) to any legal entity which is a "qualified investor" as defined in the Prospectus Directive;
- (b) to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the underwriters; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of New Shares shall require the Company or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of New Shares to the public" in relation to any New Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the New Shares to be offered so as to enable an investor to decide to purchase or subscribe the New Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

Hong Kong

WARNING: The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it.

Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

Foreign selling restrictions (cont.)



Japan

The New Shares have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the "FIEL") pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 item 1 of the FIEL and the regulations promulgated thereunder). Accordingly, the New Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. Any Qualified Institutional Investor who acquires New Shares may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of New Shares is conditional upon the execution of an agreement to that effect.

New Zealand

This document is not a product disclosure statement or any other form of disclosure document under the Financial Markets Conduct Act 2013 (the "FMC Act"). This document has not been registered, filed with or approved by any New Zealand regulatory authority under the FMC Act. The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act; or
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act.

Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, or registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (b) to a relevant person under Section 275(1) of the SFA or to any person pursuant to Section 275(1A) of the SFA and in accordance with the conditions specified in Section 275 of the SFA, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where New Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferrable for six months after that corporation or that trust has acquired the New Shares pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or (to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) pursuant to section 276(7) of the SFA or as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

This document has been given to you on the basis that you are (i) an "institutional investor" (as defined in the SFA) or (ii) a "relevant person" (as defined in section 275(2) of the SFA). You must ensure that you comply with the requirements under the SFA (including any applicable resale restrictions) in respect of any investment in the New Shares. In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

Foreign selling restrictions (cont.)



Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations.

Neither this document nor any other offering or marketing material relating to the New Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This document is personal to the recipient only and not for general circulation in Switzerland.

United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) ("Qualified Investors") in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, Qualified Investors (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

Appendix C

1H17 results summary

Increasing returns due to changing sales mix

Financial Performance

(A\$m)	1H17	1H16	Change
Statutory results			
Revenue	219.34	226.82	↓ (3.3%)
EBITDA	53.47	49.86	↑ 7.2%
EBIT	43.58	39.41	↑ 10.6%
NPAT	27.73	25.29	↑ 9.6%
Operating results			
Operating EBITDA	43.08	41.26	↑ 4.4%
Operating EBIT	33.19	30.81	↑ 7.7%
Operating NPAT	20.46	19.27	↑ 6.2%
Operating cashflow	24.02	25.53	↓ (5.9%)
Interim dividend - cps	7.50	7.50	0.0%
Gearing Ratio	34.56%	34.50%	
Funding Ratio	46.86%	50.57%	

Operating Revenue

Operating Revenue (A\$m)	1H17	1H16	Change
Domestic	198.61	219.70	↓ (9.6%)
Export	18.08	4.39	↑ 311.9%
Total Revenue	216.69	224.09	↓ (3.3%)

Operating Revenue – Salmon & Seafood

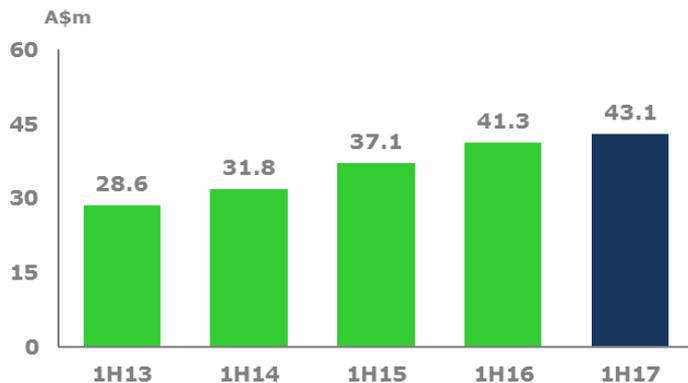
Operating Revenue (A\$m)	1H17	1H16	Change
Salmon	175.59	188.42	↓ (6.8%)
Seafood	41.10	35.68	↑ 15.2%
Total Revenue	216.69	224.09	↓ (3.3%)

- SGARA uplift was \$10.39m in 1H17 (1H16: \$8.60m)

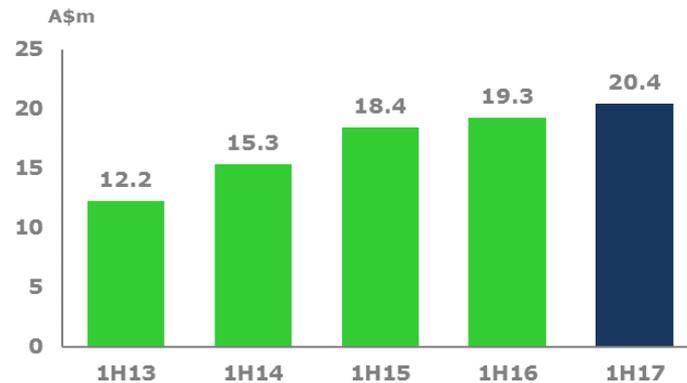
Continued growth in earnings



Operating EBITDA: \$43.1m



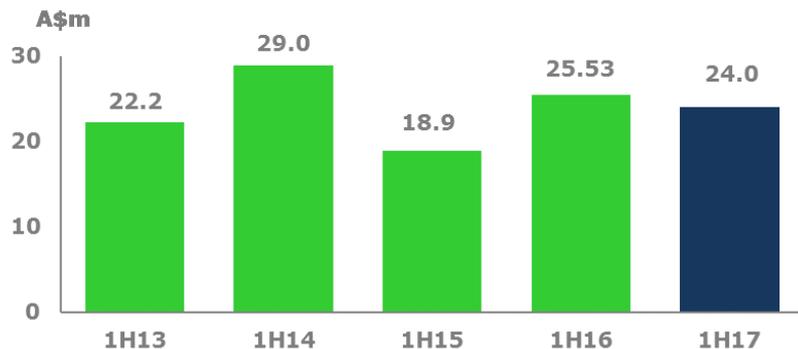
Operating NPAT: \$20.5m



• Statutory EBITDA up 7.2% to \$53.5m

• Statutory NPAT up 9.6% to \$27.7m

Operating Cashflow: \$24.0m



Interim Dividend: 7.5 cps, fully franked

