Tassal Group Limited

and Controlled Entities

ABN 15 106 067 270

Appendix 4D: Half-Year Report

Financial Report for the Half-Year Ended 31 December 2003

Financial Report
For the Half-Year Ended
31 December 2003

Directors' Report
For the Half-Year Ended 31 December 2003

The directors of Tassal Group Limited submit herewith the financial report for the half-year ended 31 December 2003.

The names of the directors of the company during or since the end of the half-year are:

Name

Mr. David Williams, (Chairman) B.Ec (Hons), M.Ec, FAICD (Appointed – 3 September 2003)
Mr. Max Fremder (Appointed – 3 October 2003)
Mr. Allan McCallum, Dip Ag Science, MAICD (Appointed – 7 October 2003)
Ms Jill Monk, B.Arts, B.Laws, MAICD (Appointed – 7 October 2003)
Mr. Maurice Van Ryn, B.Bus (Appointed – 7 October 2003)
Mr. John Watson, AM, MAICD (Appointed – 7 October 2003)

The above named directors all held office from their respective dates of appointment throughout the half-year.

In addition, Mr. A Gianotti and Mr. P Powell, who were both appointed on 3 September 2003, resigned on 3 October 2003 and 7 October 2003, respectively.

Principal Activities of the Economic Entity

The principal activities of the economic entity during the half-year were the farming, processing and marketing of Atlantic salmon.

The company commenced business on 10 November 2003.

Review of Operations

The company has reported a profit after related income tax expense of $8.677 million for the period from the commencement of trading, 10 November to 31 December 2003; or 10.58 cents per ordinary share.

However, this profit is after the company complies with Australian Accounting Standards for Self-generating and Regenerating Assets ("SGARA") and the requirements with respect to allocating the Discount on Acquisition ("DOA") attributable to the acquisition of the business of Tassal Limited (Receivers and Managers Appointed).

Directors' Report
For the Half-Year Ended 31 December 2003

Review of Operations –(continued)

For clarity the table below reports the financial performance indicators for the period before and after accounting for SGARA and DOA:-

	Pre SGARA and DOA[1] $'000	Post SGARA and DOA
Revenue	16,838	33,355[2]
EBITDA	2,928	9,911
EBIT	2,521	9,504
Profit before income tax expense	2,267	9,250
Less income tax expense	573	573
Net profit after income tax expense	1,694	8,677
Basic earnings per share (cents)	2.07 cps	10.58 cps

[1] These figures have not been adjusted to reflect the impact of the DOA or SGARA adjustments in order to present a relatively normalised view of the earnings.

[2] Australian Accounting Standard AASB 1037 "Self-generating and Regenerating Assets" (SGARA) requires any increment in the net market value of SGARA to be included in revenue. The impact of this is an uplift of $9.556 million in revenue from ordinary activities.

Further, a DOA of $14.063 million arose on the acquisition of the business of Tassal Limited (Receivers and Managers Appointed). Under current Australian Accounting Standards this discount must be written off immediately to non-monetary assets (being inventory, property plant and equipment and investments) on a pro rata basis.

Following this allocation of the DOA to the non-monetary assets acquired, the Australian Accounting Standard AASB 1037 "Self-generating and Regenerating Assets" (SGARA) requires SGARA inventory to be revalued back to its net market value. The impact of this revaluation reflected in the Statement of Financial Performance is an uplift in net profit of $6.961 million.

The company's first reporting period since the business emerged from Receivership and listed on the Australian Stock Exchange Limited on 12 November 2003 has been characterised by an improvement in the financial and operational business performance underpinned by the successful implementation of management techniques to increase fish biomass, yields and product margins.

The company's financial performance is on target to meet prospectus forecast. This result is despite difficult market conditions caused by the price of crustaceans and some "white" fish sold over Christmas 2003 being at significantly lower prices than the prior year; and an increasing $AUD making imports cheaper. Despite the effect of the increasing $AUD, the company was able to market the quality of its product to limit the effect of the $AUD and import levels. Further, while exporting product has been made more difficult by the

Directors' Report
For the Half-Year Ended 31 December 2003

Review of Operations –(continued)

rising $AUD, the company resolved to cut back exports before the $AUD rise, due to the smaller export margin relative to the domestic market margin.

The company's significant operational performance improvement has led directors to forecast a 30% increase in salmon head on, gilled and gutted ("HOGG") biomass for the 2003 Year Class over the 2002 Year Class, detailed as follows:-

	2002 Year Class	2003 Year Class	% Increase
Smolt input numbers	3,290,000	3,473,000	5%
Survivability - %	71.5%	76.0%	
Harvest numbers	2,352,000	2,640,000	12%
Harvest biomass – HOGG kgs	6,500,000	8,500,000	30%
Average harvest size – HOGG kg	2.77 kg	3.20 kg	15%

However, ninety percent of the 2003 Year Class will be harvested in the 2005 financial year. The improved biomass forecast situation is due to improved risk management and risk mitigation policies which have improved survivability and growth. In addition, there has been decreased seal, algal bloom and jellyfish activity over the 2004 summer period; and summer water temperatures have not followed the extreme temperatures evidenced over the last three Tasmanian summers.

The company must now firmly focus not only on achieving the forecast additional biomass, however, equally importantly, finding a market to sell the fish. Both the domestic and export markets must grow incrementally and expand to allow the sales channels to absorb the additional increase in biomass. This will be challenging given the current level of the $AUD, which affects both the company's competitive position with imported products and exporting into Asian markets. The improved forecast biomass will likely necessitate an increase in forecast annual capital expenditure for the next two calendar years if the Board determines this performance is sustainable.

The underlying business has improved considerably since emerging from Receivership and listing on the ASX as evidenced by the following achievements:-

- Being on target to deliver prospectus forecasts.
- A share price increase from $0.50 to $0.74 on 31 December 2003.
- A 30% increase in forecast 2003 Year Class salmon biomass from 6,500 tonnes (2002 Year Class) to 8,500 tonnes (2003 Year Class). The directors note that the company will be required to also significantly grow both the domestic and export markets to sell this additional biomass.
- Conservative gearing with interest bearing debt at 31 December of $24m and a debt to equity ratio of 61%.

Directors' Report
For the Half-Year Ended 31 December 2003

Dividend

Directors have determined that no interim dividend will be paid on Ordinary Shares in respect of the period ended 31 December 2003.

Business Development

The company has and continues to examine a number of business development opportunities to grow the business organically and by acquisition.

Rounding Off of Amounts

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the financial report are rounded off to the nearest thousand dollars, unless specifically stated to be otherwise.

Signed in accordance with a resolution of directors.

On behalf of the Directors

David Williams
Chairman
Melbourne, 26th February 2004

Independent Review Report to the Members of Tassal Group Limited For the Half-Year Ended 31 December 2003

Scope

We have reviewed the financial report of Tassal Group Limited for the half-year ended 31 December 2003 as set out on pages 8 to 22. The financial report includes the consolidated financial statements of the consolidated entity comprising the disclosing entity and the entities it controlled at the end of the half-year or from time to time during the half-year. The disclosing entity's directors are responsible for the financial report. We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory professional reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the disclosing entity to lodge the financial report with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of the entity's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Tassal Group Limited is not in accordance with:

(a) the Corporations Act 2001, including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2003 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and

(b) other mandatory professional reporting requirements in Australia.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

J C Brant
Partner
Chartered Accountants
Melbourne, 26 February 2004

The liability of Deloitte Touche Tohmatsu is limited by, and to the extent of, the Accountants' Scheme under the Professional Standards Act 1994 (NSW).

Directors' Declaration
For the Half-Year Ended 31 December 2003

The directors declare that:

a) the attached financial statements and notes thereto comply with Accounting Standards;

b) the attached financial statements and notes thereto give a true and fair view of the financial position and performance of the consolidated entity;

c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001; and

d) in the directors' opinion, there are reasonable grounds to believe that the disclosing entity will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to s. 303(5) of the Corporations Act 2001.

On behalf of the Directors

David Williams
Chairman
Melbourne, 26th February 2004

Statement of Financial Performance
For the Half-Year Ended 31 December 2003

	Note	Half-Year Ended 31 December 03 $'000
Revenue from ordinary activities	3	33,355
Raw materials and consumables used		(19,386)
Employee expenses		(3,137)
Other expenses from ordinary activities		(921)
Depreciation and amortisation expenses	4	(407)
Borrowing costs	5	(254)
Profit from ordinary activities before related income tax expense		**9,250**
Income tax expense relating to ordinary activities	6	(573)
Profit from ordinary activities after related income tax expense		**8,677**
Non-owner transaction changes in equity		-
Total changes in equity from non-owner related transactions		**8,677**

	cps
Earnings per ordinary share	
Basic (cents per share)	10.58 cps
Diluted (cents per share)	10.58 cps
Net tangible asset backing per ordinary share (cents per share)	47.54 cps

	Number
Weighted average numbers of ordinary shares on issue used in the calculation of basic earnings per share	82,000,000

Notes to the financial statements are included on pages 12 to 22.

Statement of Financial Position
As at 31 December 2003

	Note	As at 31 December 03 $'000
Current Assets		
Cash assets		555
Receivables		18,527
Inventories		3,673
Self-generating and regenerating assets (SGARAs)		33,614
Other		364
Total Current Assets		**56,733**
Non-Current Assets		
Other financial assets		3,581
Property, plant and equipment		22,106
Deferred tax assets		1,072
Other		284
Total Non-Current Assets		**27,043**
Total Assets		**83,776**
Current Liabilities		
Payables		15,875
Interest-bearing liabilities		23,491
Current tax liabilities		641
Provisions		2,040
Total Current Liabilities		**42,047**
Non-Current Liabilities		
Interest-bearing liabilities		514
Deferred tax liabilities		1,665
Provisions		566
Total Non-Current Liabilities		**2,745**
Total Liabilities		**44,792**
Net Assets		**38,984**
Equity		
Contributed equity	8	30,307
Retained profits	9	8,677
Total Equity		**38,984**

Notes to the financial statement are included on pages 12 to 22.

Statement of Cash Flows
For the Half-Year Ended 31 December 2003

	Note	Half-Year Ended 31 December 03 $'000 Inflows (Outflows)
Cash Flows from Operating Activities		
Receipts from customers		11,696
Payments to suppliers and employees		(15,687)
Interest and bill discounts received		49
Interest and other costs of finance paid		(316)
Net cash provided by/(used in) operating activities		**(4,258)**
Cash Flows From Investing Activities		
Payment for property, plant and equipment		(480)
Proceeds from sale of property, plant and equipment		71
Payment for business		(48,008)
Net cash provided by/(used in) investing activities		**(48,417)**
Cash Flows From Financing Activities		
Proceeds from issues of equity securities		32,001
Payment for share issue costs		(1,695)
Proceeds from borrowings		22,924
Repayment of borrowings		-
Net cash provided by/(used in) financing activities		**53,230**
Net Increase/(Decrease) In Cash Held		555
Cash At The Beginning Of The Half-Year		-
Effects of exchange rate changes on the balance of cash held in foreign currencies		-
Cash At The End Of The Half-Year	**10**	**555**

Notes to the financial statements are included on pages 12 to 22.

Notes to the Financial Statements
For the Half-Year Ended 31 December 2003

1. Basis of Preparation

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 1029 "Interim Financial Reporting". The half-year financial report includes notes of the type normally included in an annual financial report given that this is the Company's first reporting period.

The half-year financial report has been prepared on the basis of historical cost convention, except for non-living produce and self-generating and regenerating assets (SGARA) measured at net market value, and except where stated, does not take into account changing money values or current valuations of non-current assets. These accounting policies have been consistently applied throughout the reporting period by each entity in the consolidated entity.

Significant Accounting Policies

Accounting policies are selected and applied in a manner which ensures that the resultant financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions and other events is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the half-year financial report:

(a) Principles of Consolidation

The consolidated financial statements are prepared by combining the financial statements of all entities that comprise the consolidated entity, being the company and its controlled entities as defined in accounting standard AASB 1024 "Consolidated Accounts". The consolidated entity comprises the company and Tassal Operations Pty Ltd, which is a 100% fully owned subsidiary company. Where an entity either began or ceased to be controlled during the reporting period, the results are included only from the date control commenced or up to the date control ceased. The balances, and effects of transactions, between controlled entities included in the consolidated financial statements have been eliminated in full.

(b) Accounts Payable

Trade payables and other accounts payable are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services.

(c) Acquisition of Assets

Assets acquired are recorded at the cost of acquisition, being the purchase consideration determined as at the date of acquisition plus costs incidental to the acquisition.

In the event that settlement of all or part of the cash consideration given in the acquisition of an asset is deferred, the fair value of the purchase consideration is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Notes to the Financial Statements
For the Half-Year Ended 31 December 2003

(d) Borrowing Costs
Borrowing costs are recognised as expenses in the period in which they are incurred, except where they are included in the costs of non-current assets constructed by the consolidated entity.

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangement of borrowings, foreign exchange losses net of hedged amounts on borrowings, including trade creditors and lease finance charges.

(e) Date of Incorporation and Comparatives
The company was incorporated on 3 September 2003 under the name Natamy Limited, and changed its name to Tassal Group Limited on 23 September 2003.

Accordingly only current period figures covering the period from incorporation are shown.

(f) Depreciation of Property, Plant and Equipment
Depreciation is calculated on a straight line basis to write off the net cost or, where applicable, the revalued amount of each item of property, plant and equipment (excluding land) over its expected useful life to the consolidated entity.

Estimates of remaining useful lives are made on an ongoing basis for all assets. The expected useful lives used in the calculation of depreciation are as follows:

Buildings	25 – 50 years
Plant and equipment	2 – 20 years

Costs incurred on property, plant and equipment subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the consolidated entity in future years. Where these costs represent separate components they are accounted for as separate assets and are separately depreciated over their useful lives on the above basis.

(g) Employee Benefits
Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

The provisions for employee entitlements to wages, salaries, annual leave, long service leave, sick leave and other employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions for other employment benefits, including long service leave, which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to the reporting date.

Notes to the Financial Statements
For the Half-Year Ended 31 December 2003

(h) Financial Instruments Issued by the Company
Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

Dividends are classified as distributions of profit consistent with the statement of financial position classification of the related equity instrument.

(i) Good and Services Tax
Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

(j) Income Tax
Tax effect accounting principles have been adopted where income tax expense has been calculated on pre-tax accounting profits after adjustment for permanent differences. The tax effect of timing differences, which occur when items are included or allowed for income tax purposes in a period different to that for accounting, is shown at current taxation rates in the deferred tax assets and the deferred tax liabilities, as applicable.

The company does not have any carried forward income tax losses.

(k) Interest Bearing Liabilities
Bills of exchange are recorded at an amount equal to the net proceeds received, with the premium or discount amortised over the period until maturity. Interest expense is recognised on an effective yield basis.

Bank loans and other loans are recorded at an amount equal to the net proceeds received. Interest expense is recognised on an accrual basis.

Ancillary costs incurred in connection with the arrangement of borrowings are deferred and amortised over the period of the borrowing.

(l) Inventories
The value attributed to non-living produce extracted is the net market value immediately after extraction less the costs of extraction. The net market value is recognised as revenue in the financial year in which the extraction occurs.

Other inventories are valued at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned

Notes to the Financial Statements
For the Half-Year Ended 31 December 2003

to inventory on hand by the method most appropriate to each particular class of inventory, with the majority being valued on a first in first out or weighted cost basis.

(m) Investments
Interests in controlled entities and other corporations are brought to account at cost and, where applicable, dividend income is recognised in the statement of financial performance when receivable.

Other investments are brought to account at cost.

(n) Leased Assets
Leased assets classified as finance leases are recognised as assets. The amount initially brought to account is the present value of minimum lease payments.

A finance lease is one which effectively transfers from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of the leased property.

Finance leased assets are amortised on a straight line basis over the estimated useful life of the asset.

Finance lease payments are allocated between interest expense and reduction of lease liability over the term of the lease. The interest expense is determined by applying the interest rate implicit in the lease to the outstanding lease liability at the beginning of each lease payment period.

Operating lease payments are recognised as an expense on a basis which reflects the pattern in which the economic benefits from the leased asset are consumed.

(o) Provisions
Provisions are recognised when the consolidated entity has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is probable that recovery will be received and the amount of the receivable can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

A provision is recognised for dividends when they have been declared, determined or publicly recommended by the directors.

(p) Receivables
Trade receivables and other receivables are recorded at amounts due less any allowance for doubtful debts.

Notes to the Financial Statements
For the Half-Year Ended 31 December 2003

(q) Recoverable Amount of Non-Current Assets
Non-current assets are written down to recoverable amount where the carrying value of any non-current assets exceeds recoverable amount. In determining the recoverable amount of non-current assets, the expected net cash flows have been discounted to their present value.

(r) Revaluation of Non-Current Assets
It is the policy of the consolidated entity to obtain an independent valuer to assess the value of freehold and leasehold land and buildings at no more than three yearly intervals, or such earlier time as is deemed appropriate.

When undertaken, revaluations reflect independent assessments of the fair market value of land and buildings based on existing use. Revaluation increments are credited directly to the asset revaluation reserve, unless they are reversing a previous decrement charged to the statement of financial performance, in which case the increment is credited to the statement of financial performance.

Potential capital gains tax is not taken into account in determining revaluation amounts unless there is an intention to sell the assets concerned.

(s) Revenue Recognition
Revenue from the sale of goods and disposal of other assets is recognised when the consolidated entity has passed control of the goods or other assets to the buyer, except with respect to self-generating and regenerating assets (See note 1 (t)).

(t) Self-Generating and Regenerating Assets (SGARAs) – Live Finfish
Self-generating and regenerating assets are valued at net market value. Net market value is the amount which could be expected to be received from the disposal of the asset in an active and liquid market after deducting the costs associated with enhancement and / or costs expected to be incurred in realising the proceeds of such disposal. The net increment / (decrement) in the net market value of SGARAs is recognised as revenue / (expenditure) in the reporting period. Where an active and liquid market is not available, historic cost is used as an estimate of net market value.

(u) Cash
For purposes of the statement of cash flows, cash includes deposits at call which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

Notes to the Financial Statements
For the Half-Year Ended 31 December 2003

2. Significant Transactions

2(a) Acquisition of Business

The Company listed on the Australian Stock Exchange on 12 November 2003. As part of the Initial Public Offering (IPO), the Company issued 62,000,000 ordinary shares at an issue price of $0.50 per ordinary share pursuant to a Prospectus dated 9 October 2003 and lodged with Australian Securities and Investments Commission on that date. Net funds raised from the issue amounted to $30.3 million.

During the period, and pursuant to a Business Sale and Purchase Deed dated 8 October 2003, the Company and its controlled entities acquired the business of Tassal Limited (Receivers and Managers Appointed) for a purchase price of $47.29 million, excluding costs incidental to the acquisition. The acquisition was funded with the proceeds from the IPO and bank debt.

2(b) SGARA restatement after application of Discount on Acquisition (DOA)

A discount on acquisition of $14.063 million arose on the acquisition of the business of Tassal Limited (Receivers and Managers Appointed). Under current Australian Accounting Standards this discount must be written off immediately to non-monetary assets (being inventory, SGARA, property plant and equipment and investments) on a pro rata basis.

Following this allocation of the DOA to the non-monetary assets acquired, the Australian Accounting Standard AASB 1037 "Self-generating and Regenerating Assets" (SGARA) requires SGARA inventory to be revalued back to its net market value. The impact of this revaluation reflected in the Statement of Financial Performance is an uplift in net profit of $6.961 million.

Notes to the Financial Statements
For the Half-Year Ended 31 December 2003

	Note	Half-Year Ended 31 December 03 $'000
3. Revenue From Ordinary Activities		
Revenue from ordinary activities:		
Revenue from sale of goods		16,575
Increment in net market value of SGARAs		9,556
SGARA restatement after application of DOA	2(b)	6,961
Interest revenue		49
Other		214
Total revenue from ordinary activities		33,355

4. Depreciation and Amortisation

Depreciation of non-current assets		406
Amortisation		1
Total depreciation and amortisation		407

5. Borrowing Costs

Interest – other entities		244
Finance lease charges		10
Total borrowing costs		254

Notes to the Financial Statements
For the Half-Year Ended 31 December 2003

6. Income Tax Expense

	Half-Year Ended 31 December 03 $'000
Profit from ordinary operations before income tax expense	9,250
Income tax expense calculated at 30% of profit from ordinary activities	2,775
Permanent differences:	
- Share issue cost amortisation	(102)
- SGARA restatement after application of DOA	(2,088)
- Other	(12)
Income tax expense attributable to profit from ordinary activities	573

7. Dividends

No interim dividend has been declared in respect of ordinary shares.

The company has not paid tax and therefore has no franking credits available at the reporting date.

Notes to the Financial Statements
For the Half-Year Ended 31 December 2003

		Half-Year Ended 31 December 03 $'000	

8. Contributed Equity

	Note	Number	$'000
Issued ordinary share capital (fully paid):			
Initial share capital subscribed		1,000	1
Issued to financiers		308	-
Share split	(i)	16,998,692	-
Financier shares	(ii)	2,000,000	1,000
Issued to underwriter	(iii)	1,000,000	500
Issued pursuant to Prospectus **	(iv)	62,000,000	31,000
		82,000,000	32,501
Share issue costs pursuant to Prospectus ** - cash	(v)		(1,694)
Share issue costs pursuant to Prospectus ** - non-cash	(v)		(500)
			30,307

Notes:

(i) Splitting of the ordinary share capital of the company from 1,308 ordinary shares into 17,000,000 ordinary shares.

(ii) The issue of 2,000,000 ordinary shares to the financiers as defined within the Prospectus **.

(iii) The issue of 1,000,000 ordinary shares to the underwriters of the Prospectus**.

(iv) The issue of 62,000,000 ordinary shares pursuant to the Prospectus**.

(v) Share issue costs in respect of the Prospectus.

(** During the period, and pursuant to a Business Sale and Purchase Deed dated 8 October 2003, the Company and its controlled entities acquired the business of Tassal Limited (Receivers and Managers Appointed. (see Note 2(a))

As part of the consideration the company allotted 62,000,000 ordinary shares at an issue price of $0.50 per ordinary share pursuant to a Prospectus dated 9 October 2003 and lodged with Australian Securities and Investments Commission on that date.)

Notes to the Financial Statements
For the Half-Year Ended 31 December 2003

9. Retained Profits

	Half-Year Ended 31 December 03 $'000
Retained profits at the beginning of the half-year	-
Current period net operating profit	8,677
Retained profits at the end of the half-year	8,677

10. Notes to the Statement of Cash Flows - Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank and short-term deposits at call, net of outstanding bank overdrafts. Cash as at the end of the financial period as shown in the Statement of Cash Flows is reconciled as follows:

Cash	5
Bank	550
	555

11. Contingent Liabilities

	Half-Year Ended 31 December 03 $'000
The consolidated entity has provided bank guarantees for purposes of securing supply of product and services from third parties.	5,189

12. Segment Information

The consolidated entity operates principally within a single primary segment, being the seafood industry wholly within Australia and derives its revenue predominantly from the sale of Atlantic salmon within Australia.

Notes to the Financial Statements
For the Half-Year Ended 31 December 2003

13. Changes in the Composition of the Company

Name of business acquired:	Tassal Operations Pty Ltd
Principal activity:	The farming, processing and marketing of Atlantic salmon.
Date of acquisition:	19 September 2003
Proportion of shares acquired:	100%
Cost of acquisition:	$2.00