

# **Financial Results**

**Presentation**

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## **Introduction**

## **Financials**

## **Operational Review**

## **Going Forward**

## **Summary**

The following slides should be read in conjunction with Tassal Group Limited's Financial Report for the Half-Year Ended 31 December 2003, lodged with ASX on 26 February 2004.

## **Introduction**

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- **Underlying business improved considerably since emerging from Receivership and listing on the ASX.**
- **On target to deliver Prospectus forecasts.**
- **A 30% increase in forecast 2003 Year Class salmon.**
- **Conservative gearing.**

# Financials

	Pre SGARA and DOA (1) \$'000	Post SGARA and DOA \$'000
Revenue	16,838	33,355
EBITDA	2,928	9,911
EBIT	2,521	9,504
PBT	2,267	9,250
TAX	573	573
NPAT	1,694	8,677
Basic eps	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 normalised view of the earnings.

## Financials

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### Reconciliation to Prospectus:

	\$'M
Proforma Net Assets Per Prospectus	35.7
Add: Additional SGARA Uplift at Acquisition	1.6
Add: Net “Normalised” trading Profit for the Period	1.7
Net assets at 31 December 2003	\$39.0

# Financials

## Statement of Financial Position as at 31 December 2003:

ASSETS	\$'000	LIABILITIES	\$'000
<b>Current Assets</b>		<b>Current Liabilities</b>	
Cash assets	555	Payables	15,875
Receivables	18,527	Interest-bearing liabilities	23,491
Inventories	3,673	Current tax liabilities	641
SGARAS	33,614	Provisions	2,040
Other	364		
<b>Total Current Assets</b>	<b>56,733</b>	<b>Total Current Liabilities</b>	<b>42,047</b>
<b>Non-Current Assets</b>		<b>Non-Current Liabilities</b>	
Other financial assets	3,581	Interest-bearing liabilities	514
Property, plant and equipment	22,106	Deferred tax liabilities	1,665
Deferred tax assets	1,072	Provisions	566
Other	284		
<b>Total Non-Current Assets</b>	<b>27,043</b>	<b>Total Non-Current Liabilities</b>	<b>2,745</b>
<b>Total Assets</b>	<b>83,776</b>	<b>Total Liabilities</b>	<b>44,792</b>

**Net Assets      \$38,984**

## **Financials**

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- **SGARA - Revenue uplift \$9.556 million.**
- **DOA - EBIT uplift \$6.961 million.**
- **Normalised –EBIT \$2,521, NPAT \$1,694.**
- **On track to deliver Prospectus Forecast.**

## **Financials**

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- **Solid result despite difficult Christmas trading conditions:**
  - **Crustaceans and some white fish at depressed prices.**
  - **Improving \$AUD driving import prices lower = increasing domestic competition.**
  - **Improving \$AUD making export conditions difficult.**
  - **Tassal quality + “clean green image” = preserving export price premium, however, off a lower base.**



# Financials

## Cash Flows

	\$'000
Operating	(4,258)
Business acquisition	(48,008)
Net share issue proceeds	30,306
Borrowings	22,924
Other	(409)
Cash	555

- Meeting supplier trading terms.
- Peak sales period. Debtors risen \$4 million since acquisition.
- First half traditional seasonal funding time, therefore debt levels to reduce in the second half.
- \$4 million debt retirement in 2<sup>nd</sup> half.

## **Operational**

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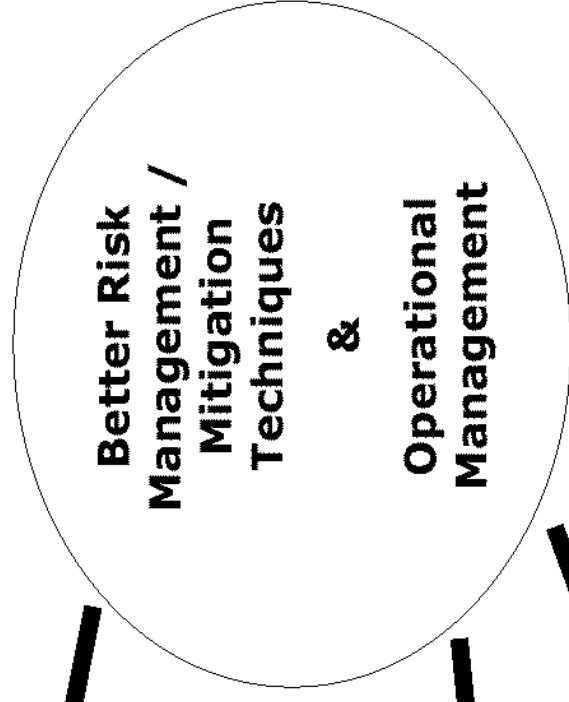
### • Improved performance driven by:

• **Biomass**  
(Survivability and weight)

• **Yields**  
(Improved processes)

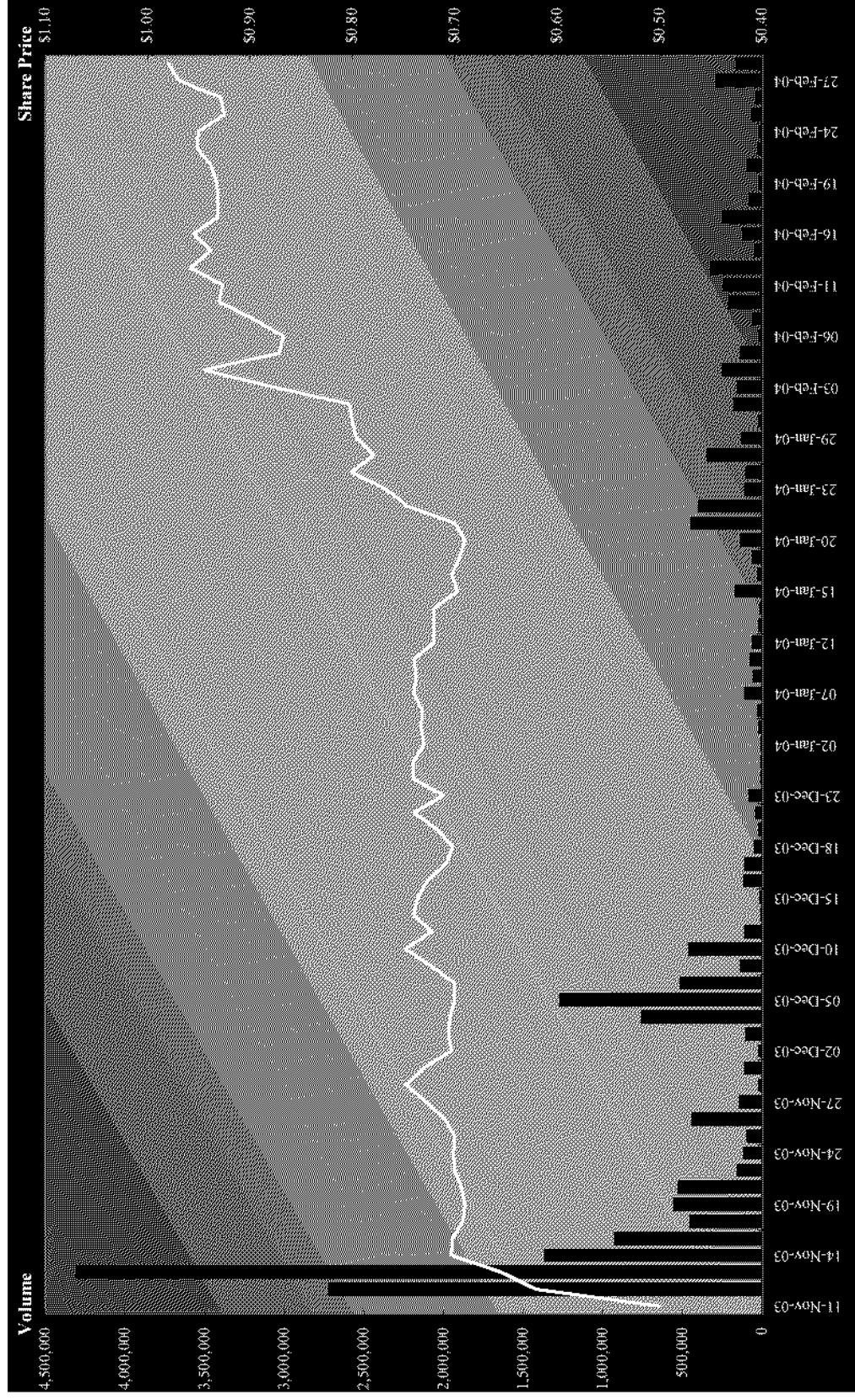
• **Margins**  
(Sales mix)

• **Cost focus**  
(Improved pricing)



Tassal Group Limited and Controlled Entities – Results 31 December 2003

# Share Price Performance



## Going Forward

	2002 Year Class	2003 Year Class	% Change
Smolt input numbers	3,290,000	3,730,000	5%
Survivability	71.5%	76.0%	6%
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%

The 2002 Year Class is harvested primarily in the 2004 Financial Year, whilst the 2003 Year Class is harvested primarily in the 2005 Financial Year

## **Going Forward**

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- **Improved biomass position driven by:**
  - **Improved risk management / mitigation.**
  - **Reduced predatory activity.**
  - **Favourable environment.**

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## **Going Forward**

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- **Must focus on delivering biomass – “X” factor uncertainty.**
- **Existing markets must be expanded, old ones re-visited, new ones sought – absorb additional biomass at good margins.**
- **Capex infrastructure planning implications – additional survivability = additional fish “homes”.**

## **Summary**

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- **Prospectus targets on track to be delivered.**
- **Improved risk management and risk mitigation.**
- **Existing markets must be expanded, old ones revisited and new markets sought.**
- **2005 Financial year outlook encouraging, yet challenging.**
- **Sound platform for future growth.**