



Fiscal Operations Pty Ltd
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31st May 2004

ASX Release

30 June 2004 Profit Guidance and Market Update

The Board of Tassal Group Limited confirms its previously advised position that it expects to achieve its prospectus net profit after tax for the period to 30 June 2004.

In its prospectus dated 9 October 2003, Tassal provided forecasts on both a SGARA basis (as required under Australian Accounting Standard AASB 1037) and on a basis excluding the impact of SGARA and will report on both these methods for the period to 30 June 2004.

As previously reported, the seafood market has seen significant recent competition from lower priced crustaceans and white fish. In addition, Tassal, along with the rest of the industry has experienced temporary consumer reaction to some negative media reports in respect of chemicals in fish. This has impacted Tassal's gross revenue and operating margins on a non-SGARA basis. However, offsetting these matters are savings in depreciation and income tax as well as the impact from commencing business three weeks ahead of the prospectus assumption date of 1 December 2003. The net result is that the after-tax result on a non-SGARA basis for the period from commencement of business on 10 November 2003 to 30 June 2003 is expected to be slightly above the prospectus estimate of \$3.5m for the period since listing.

The reported after-tax profit (allowing for SGARA) for the same period will be significantly above the forecast amount of \$7.3m. This is in part driven by the requirement of the SGARA accounting standard that requires the discount on acquisition component related to live inventory to be revalued back to its net market value.

The Board is pleased that despite difficult market conditions and the work required to transition Tassal out of its "receivership" mode and back to the market, that net profit after tax forecasts are likely to be achieved.

As previously advised, there is a substantial increase in the salmon biomass expected to be harvested in the coming financial year compared with the current year. Management continues to be confident that a 30% increase in biomass will be achieved following

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Hobart, 5 Franklin Wharf, Hobart 7000	05 621 9611	03 6224 0573	Dover Marine Ops, Narrows Road, Dover 7117	05 6228 1418	05 6228 1479
Sydney, 474/8 Leda Business Centre, 33 - 40 Harcourt Pk, Rosebery, 2018	02 9243 3211	02 9537 5598	Boon Marine Ops, Police Point Rd, Surfers Bay 7109	05 6262 9600	05 6297 6717
Melbourne, 1782/8 High St, Kew, Vic, 3101	05 955 6822	02 983 6855	Tasman Marine Ops, Belgiers Cove, Huonville 7157	03 6350 2448	05 6350 2555
Marrington, 100 Marrington Road, Marrington 7018	05 6244 9089	03 6244 8192	Brony Island Ops, Rose Banks, Brony Island 7160	05 6260 6262	05 6260 6350
Huonville, 191 Glen Road, Huonville 7165	05 6264 8678	03 6264 3175	Macquarie Harbour Ops, CA Post Office, Strahan 7468	04 9965 9626	05 647 7863
Dover Processing, Narrows Road, Dover 7117	05 6228 1455	03 6224 3062	Hatchery Operations, Westlyn, Westerway 7140	05 6288 1288	05 6288 1358

favourable growing conditions over the 2003/04 summer months. Tassal is working on new initiatives in both the domestic and export markets to ensure this extra fish is sold at good margins.

Tassal is continuing to implement programs to lower production costs. As an example of such initiatives, all value added activities associated with the Mornington operation (acquired as part of the Nortas business) have been recently transferred to the Huonville facility.

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Media queries to:

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