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# Tassal Group Limited

Results Presentation

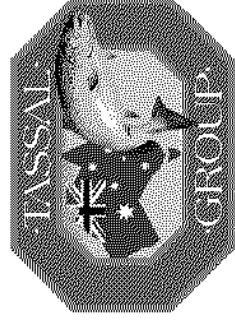
Year Ended 30 June 2004

31 August 2004

The following slides should be read in conjunction with  
Tassal Group Limited's Preliminary Final Report lodged  
with the Australian Stock Exchange on 31 August 2004

# Highlights

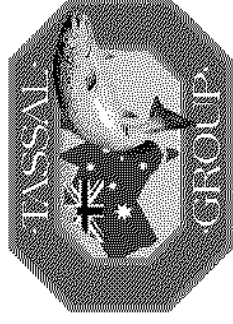
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- Post-SGARA & DOA EBIT of \$11.9m, NPAT of \$11.4m. Pre-SGARA & DOA EBIT of \$4.4m, NPAT of \$3.9m. Dividend of 2cps (unfranked)
- 30% increase in salmon biomass will underpin future profitability
- Rationalised processing facilities to improve operating efficiencies and profitability
- Significantly reduced operating costs in both marine and processing environment to optimise both operational and financial resources
- Tassal will continue to reduce its costs of growing and processing to be globally competitive
- Tassal firmly focussed on finding profitable markets to sell the additional fish domestically and in export markets

A positive  
year of  
transition

# Highlights



## Prospectus View

### Pre-SGARA & DOA

|         | Prospectus<br>\$'000 | Actual<br>\$'000 |
|---------|----------------------|------------------|
| Revenue | 57,800               | 59,671           |
| EBITDA  | 8,300                | 6,375            |
| EBIT    | 6,000                | 4,413            |
| PBT     | 5,000                | 3,076            |
| Tax     | 1,500                | (828)            |
| NPAT    | 3,500                | 3,905            |
| EPS     | 0.043                | 0.048            |

Variance due to restructuring costs  
and product sales mix

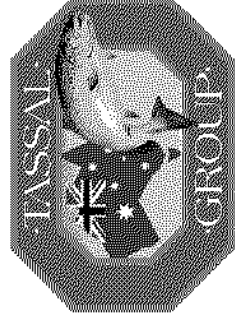
### Post-SGARA & DOA

|         | Prospectus<br>\$'000 | Actual<br>\$'000 |
|---------|----------------------|------------------|
| Revenue | 87,200               | 102,789          |
| EBITDA  | 13,700               | 13,912           |
| EBIT    | 11,400               | 11,951           |
| PBT     | 10,400               | 10,614           |
| Tax     | 3,100                | (828)            |
| NPAT    | 7,300                | 11,442           |
| EPS     | 0.089                | 0.139            |

Note 1: These figures have been adjusted to reflect the impact of the DOA and SGARA adjustments to present a normalised view of the earnings

# Highlights

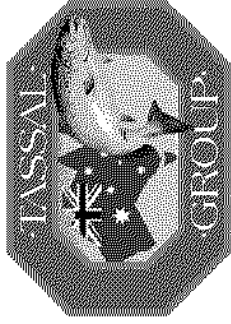
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- Final dividend of 2 cps (unfranked)
- Improved operational performance is sustainable
- Global Atlantic Salmon supply and demand is forecast to be around an equilibrium level
- Capital expenditure program in place that accommodates biomass growth and drives further efficiencies and profitability
- Tassal on track for a higher operating result and NPAT for FY2005
- Tassal firmly focussed on delivering significant value creation

Shareholder  
Value

# Financials



FY2004

Revenue per HOGG kg \$12.81 kg

Total Live Fish Cost

Smolt  
Feed  
Marine Operations

\$5.72 kg

Breakdown confidential

Processing

\$3.15 kg

Direct Selling

\$1.65 kg

EBITDA (\$6.4M)

\$0.89 kg

\$1.40 kg

Other Labour, Overheads

\$0.43 kg

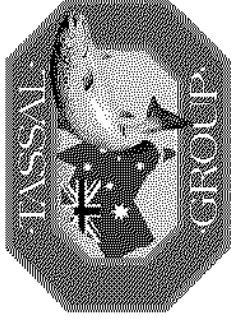
EBIT (\$4.4M)

\$0.97 kg

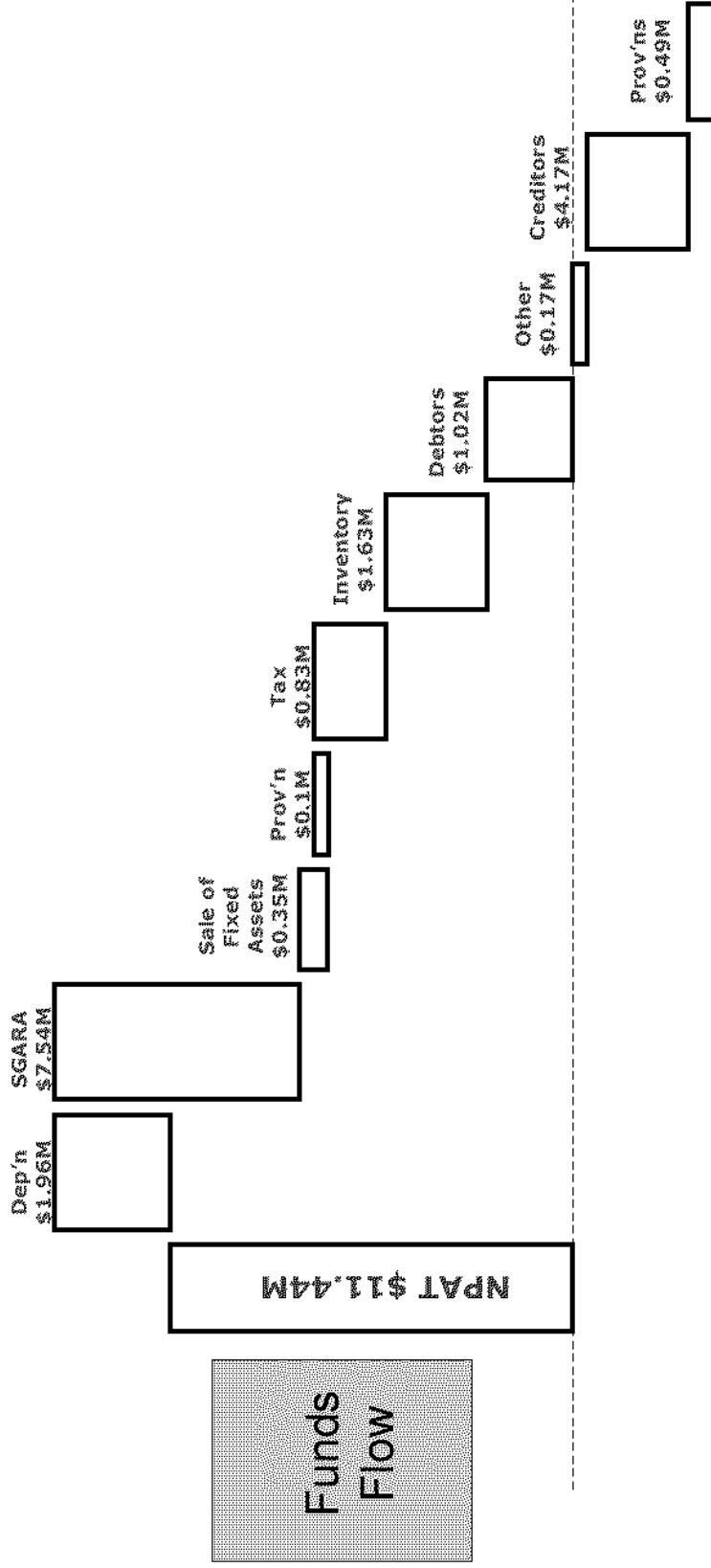
Dep'n.

This chart displays the major cost and profit items expressed as a portion of the total revenue received from each kilogram of HOGG sold.

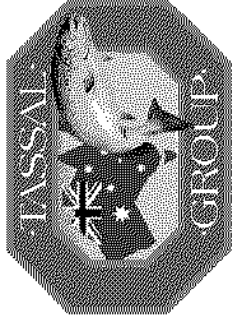
# Financials



What has happened with the cash generated from operating activities since 10 November 2003?



# Financials



But what has really happened in a year on year context ... 30 June 2003 v 30 June 2004?

|   | \$ 'M       |
|---|-------------|
| Proforma Net Assets Per Prospectus          | 35.7        |
| Add: Additional SGARA Uplift at Acquisition | 2.1         |
| Add: Net "Normalised" Trading Profit        | 3.9         |
| <b>Net Assets at 30 June 2004</b>           | <b>41.7</b> |

Reconciliation to Prospectus

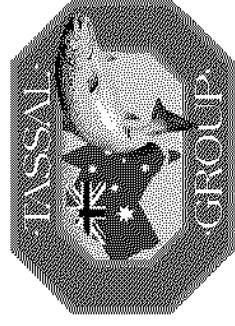
|   | \$ 'M       |
|---|-------------|
| <b>Prospectus Proforma 30 June 2003</b> |             |
| Assets                                  |             |
| Receivables                             | 12.1        |
| Inventories                             | 34.5        |
| Other                                   | 0.2         |
|   | 46.8        |
| Saltas                                  | 3.5         |
| PP&E                                    | 18.5        |
| Other                                   | -           |
|   | 22.0        |
| <b>Total Assets</b>                     | <b>68.8</b> |
| Current Liabilities                     |             |
| Payables                                | 14.9        |
| Provisions                              | 1.8         |
| Borrowings                              | 7.8         |
|   | 24.5        |
| Non Current Liabilities                 |             |
| Provisions                              | 0.6         |
| Borrowings                              | 8.0         |
|   | 8.6         |
| <b>Total Liabilities</b>                | <b>33.1</b> |
| <b>Net Assets</b>                       | <b>35.7</b> |

Balance Sheet

|                          | \$ 'M       |
|--------------------------|-------------|
| <b>30 June 2004</b>      |             |
| Assets                   |             |
| Receivables              | 14.4        |
| Inventories              | 40.1        |
| Other                    | 0.5         |
|                          | 55.0        |
| Saltas                   | 3.6         |
| PP&E                     | 22.6        |
| Other                    | 1.7         |
|                          | 27.9        |
| <b>Total Assets</b>      | <b>82.8</b> |
| Current Liabilities      |             |
| Payables                 | 12.6        |
| Provisions               | 2.0         |
| Borrowings               | 6.4         |
|                          | 20.9        |
| Non Current Liabilities  |             |
| Provisions               | 0.5         |
| Borrowings               | 19.7        |
|                          | 20.2        |
| <b>Total Liabilities</b> | <b>41.1</b> |
| <b>Net Assets</b>        | <b>41.7</b> |

Debt Effectively Funding Stock Build \$8M

# Financials



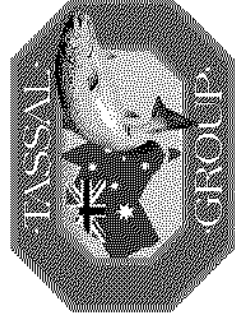
## Ratios

|                      | <b>Pre SGARA<br/>&amp; DOA</b> |
|----------------------|--------------------------------|
| EBITDA/Revenue       | 10.7%                          |
| EBIT/Revenue         | 7.4%                           |
| Net Debt/Equity      | 59.5%                          |
| Equity/Total Assets  | 50.4%                          |
| Net Debt/EBITDA      | 3.89 times                     |
| EBITDA/Interest      | 4.77 times                     |
| EPS (for 7.5 months) | \$0.0476                       |



# Outlook

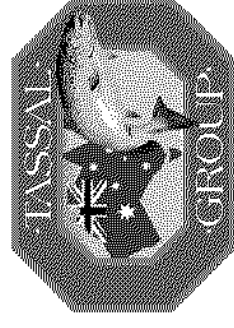
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- Improved biomass from better fish management and growing practices
- Operational performance can be further improved, with improvement sustainable ⇒ Capex program in place to accommodate biomass growth and drive further efficiencies and profitability
- Global Atlantic Salmon Market ⇒ supply and demand forecast to be in equilibrium
- Further work to do on marketing
- Tassal on track for a higher operating result and NPAT for FY2005
- Tassal positioning to be globally cost competitive
- Cost and efficiency focus to underpin increased shareholder value

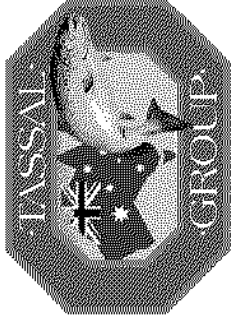
# Priorities

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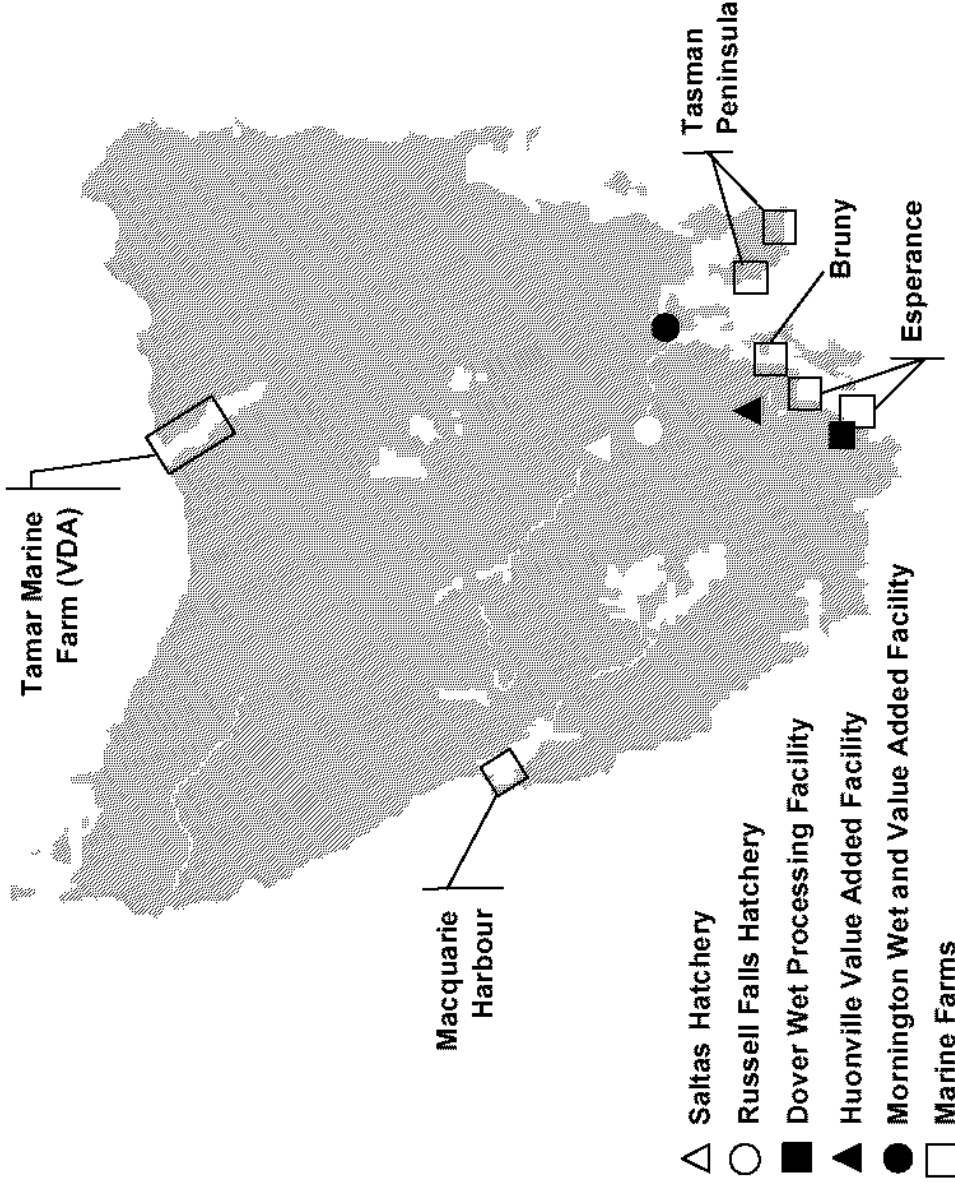


- Lower cost of growing ⇒ further improvements in fish management techniques and practices
- Lower cost of processing ⇒ improved biomass and further automation
- Globally cost competitive
- Expand and grow domestic salmon users ⇒ TSGA marketing campaign "Trust Tasmanian Salmon"
- New profitable export markets ⇒ global consumption increasing
- Maximise shareholder value

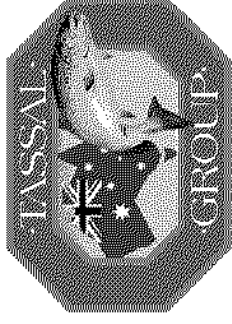
# Priorities



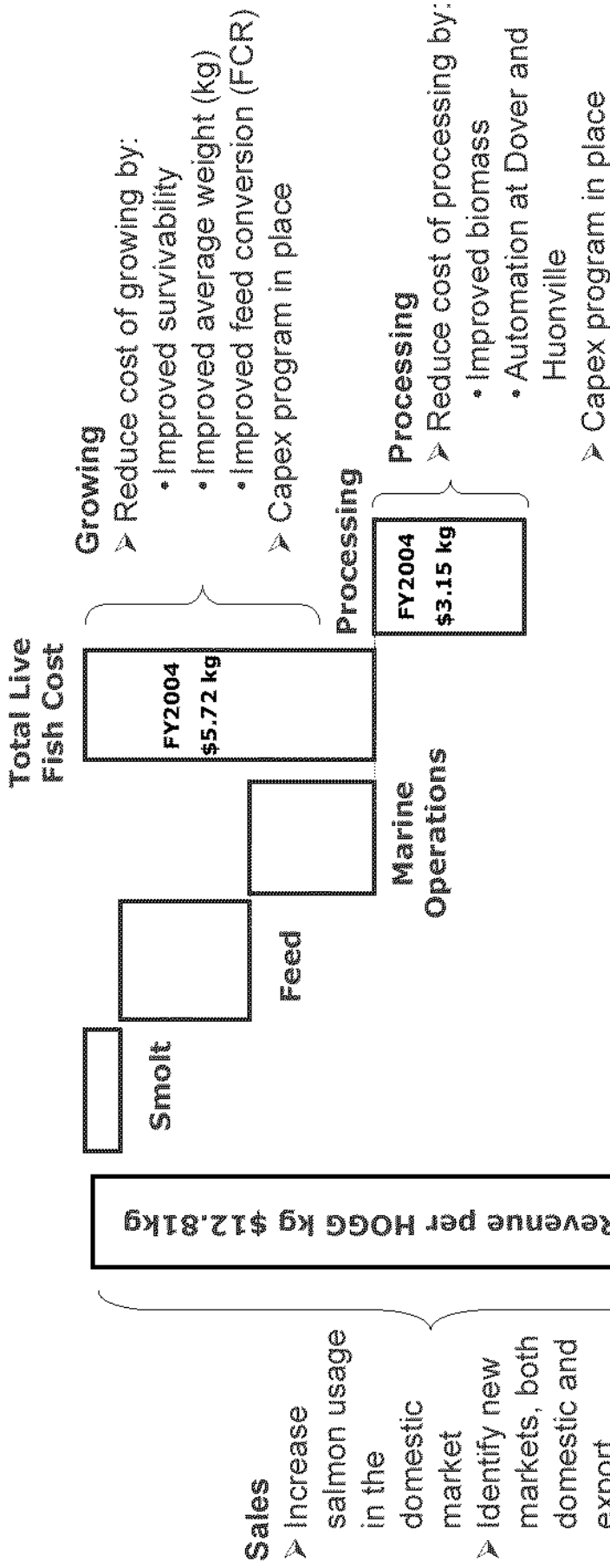
**RISK MITIGATION FOCUS ... SURVIVABILITY ... MORE SITES = RISK MITIGATION**



# Priorities

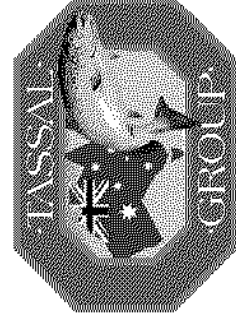


For FY2005, the priorities are:



# Priorities

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Sales ... our priorities are to increase salmon usage and identify new markets:

- TSGA marketing campaign ⇒ Salmon as a quick, easy, healthy meal choice
  - National Aquaculture Council's branding initiative ⇒ building a world class aquaculture brand for Australia
  - Increasing sales of value added products in the domestic market ⇒ fresh, high value added, convenient seafood products
  - Consolidating partnerships with key retailers ⇒ retailers are well positioned for growth in the seafood market
  - Export markets ⇒ agents appointed for Japan and Dubai markets with a platform in place for profitable sales
  - Trout market ⇒ currently undersupplied. Additional fish put to sea.
  - Distribution of new fish species ⇒ important area as seafood consumption is increasing and customers and consumers appreciate choice
  - Product development and innovation ⇒ positioning to become leaders in the domestic market
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