Tassal Group Limited

Results Presentation

Half Year Ended 31 December 2004

2 March 2005

The following slides should be read in conjunction with Tassal Group Limited's Appendix 4D: Half-Year Report lodged with the Australian Stock Exchange on 28 February 2005

Highlights

Cost Reductions & Earnings Growth

- Pre-SGARA & DOA EBIT of $4.7m, NPAT of $2.5m.
- Tassal's Strategic Plan
  - Positioning to be globally cost competitive in the growing and processing of Atlantic Salmon and Trout
  - Positioning in niche, added value markets, domestically and offshore
- Significantly reduced operating costs in both marine and processing environment to optimise both operational and financial resources … growing costs reduced by $0.70kg
- Not yet seen the full effect of cost reduction initiatives … we have more initiatives to implement
- Progressed marketing and sales activities beyond Australia & Japan … established presence in Singapore, Indonesia and Dubai
- Aquatas merger negotiated

Highlights

Results

	Pre SGARA and DOA[1]	Post SGARA and DOA[2]
	Half-Year ended 31 Dec 2004 $'000	Half-Year ended 31 Dec 2004 $'000
Revenue from ordinary activities	45,049	72,185
EBITDA	5,234	5,417
EBIT	4,742	4,925
Net profit after income tax expense	2,489	2,672
Basic earnings per share (cents)	3.02	3.24

1. These figures remove the impact of SGARA adjustments.
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 $27.136 million in revenue from ordinary activities.

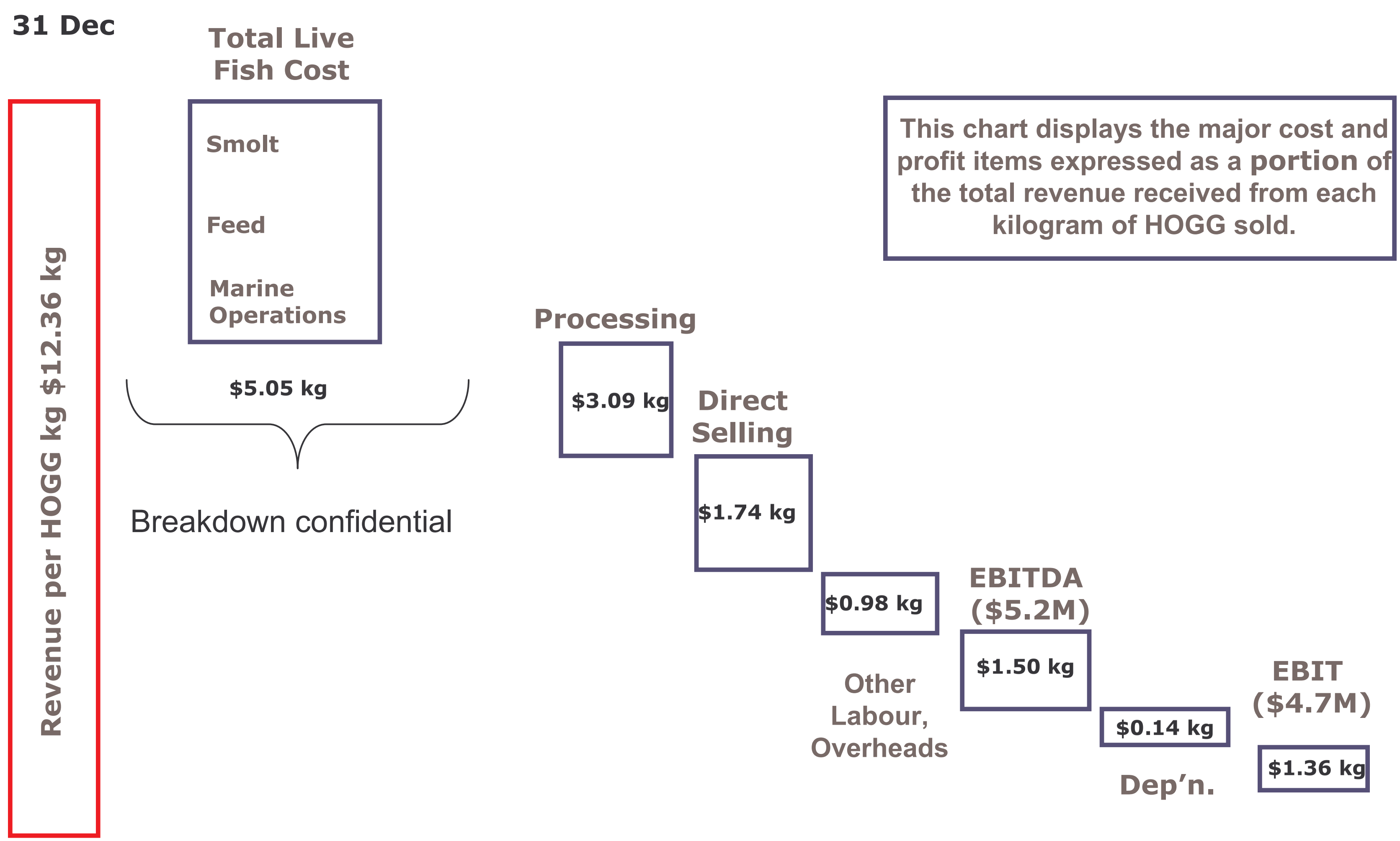
Highlights

TASSAL GROUP LTD

Statement of Financial Position

ASSETS	31 Dec 2004 $'000	LIABILITIES	31 Dec 2004 $'000
Current Assets		**Current Liabilities**	
Cash assets	5	Payables	14,841
Receivables	19,153	Interest-bearing liabilities	31,319
Inventories	7,403	Current tax liabilities	-
SGARAs	39,241	Provisions	2,154
Other	1,166	Other	651
Total Current Assets	**66,968**	**Total Current Liabilities**	**48,965**
Non-Current Assets		**Non-Current Liabilities**	
Other financial assets	3,904	Interest-bearing liabilities	3,459
Property, plant and equipment	25,911	Deferred tax liabilities	1,865
Deferred tax assets	1,052	Provisions	442
Other	1,032	Other	330
Total Non-Current Assets	**31,899**	**Total Non-Current Liabilities**	**6,096**
Total Assets	**98,867**	**Total Liabilities**	**55,061**
		NET ASSETS	**43,806**

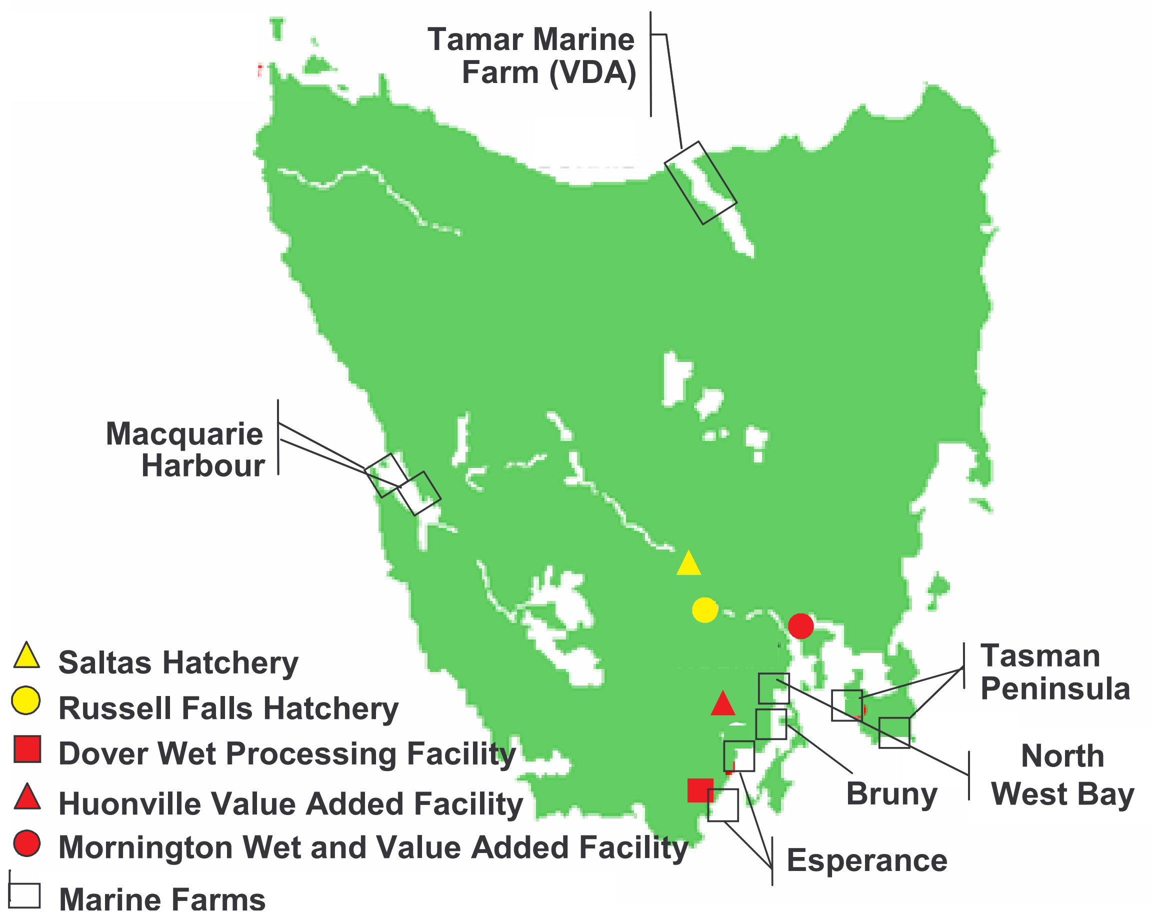
Financials


31 Dec
Revenue per HOGG kg $12.36 kg
Total Live Fish Cost
Smolt
Feed
Marine Operations
$5.05 kg
Breakdown confidential
Processing
$3.09 kg
Direct Selling
$1.74 kg
$0.98 kg
Other Labour, Overheads
EBITDA ($5.2M)
$1.50 kg
$0.14 kg
Dep'n.
EBIT ($4.7M)
$1.36 kg
This chart displays the major cost and profit items expressed as a **portion** of the total revenue received from each kilogram of HOGG sold.

Outlook

- Improved biomass from better fish management and growing practices ⇨ lower cost of growing and processing
- 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 ⇨ branding architecture
- Tassal on track for a higher operating result and NPAT for FY2005 ⇨ anticipate better second half than first half of FY2005
- Tassal positioning to be globally cost competitive ⇨ together with market premium for Tassal's product, should see increasing returns from both domestic and export markets

Outlook



Tamar Marine Farm (VDA)
Macquarie Harbour
Tasman Peninsula
North West Bay
Bruny
Esperance
Saltas Hatchery
Russell Falls Hatchery
Dover Wet Processing Facility
Huonville Value Added Facility
Mornington Wet and Value Added Facility
Marine Farms

Outlook

Marine Operations:

- Strategic Elements
  - Increase average harvest size
  - Maximise survivability
  - Improve FCR (Feed Conversion Ratio)
  - Efficient utilisation of marine sites and infrastructure
  - Remove AGD
  - Selective Breeding Program

Processing:

- Strategic Elements
  - Yield and recovery improvement
  - Maximise automation
  - Rationalisation of processing sites and infrastructure
  - Food safety and traceability
  - Improve OH&S Standard

Outlook

Sales and Marketing:

- Strategic Elements
  - Branding ⇨ Brand architecture
  - Pre-packaged fish as a convenient, home consumption product ⇨ MICROsteam$_{TM}$
  - Consolidate relationships with wholesalers and retailers
  - Species diversification ⇨ Kingfish

Merger

The synergies and cost efficiencies:

	Possible Hard Synergies [1] ($ million)	Possible Soft Synergies [2] ($ million)
Reduced cost synergies	$4.5	$1.1
Improved efficiency synergies	$0.4	$3.4
Less: negative synergies	($0.4)	-
Total Net Synergies	**$4.5**	**$4.5**
Less: Implementation costs (one-off)	($0.6)	($0.5)

Note:

1. Hard Synergies represent synergies which Tassal's management is reasonably confident about quantifying and achieving based on experience.
2. Soft Synergies represent synergies that are more difficult to quantify and will require additional work from Tassal's management to secure. It is less certain that Tassal's management will be able to achieve Soft Synergies rather than Hard Synergies.

We have the experience to achieve the synergies and cost efficiencies.

Merger

March 18 start date:

- Bigger hatchery pool to draw from ⇨ put only the best smolt to sea ⇨ growing efficiencies
- Lower feed costs ⇨ contract renewed to September 2008 ⇨ immediate reduction in feed costs
- Efficient utilisation of marine sites and infrastructure ⇨ removal of duplication ⇨ immediate farm labour and overhead reductions
- Lower packaging, insurance & freight costs ⇨ contracts in place ⇨ immediate reduction in operating costs
- Rationalisation of processing functions ⇨ significant efficiencies exist ⇨ rationalisation to occur
- Yield Improvements ⇨ better performing stock and efficient processing functions ⇨ significant upside
- Corporate & Overhead cost reductions ⇨ already identified ⇨ immediate reductions

Priorities

- Unlock synergies and cost efficiencies ⇨ immediate
- Lower cost of growing ⇨ further improvements in fish management techniques and practices
- Lower cost of processing ⇨ improved biomass and further automation to drive efficiencies
- Further expand domestic salmon market ⇨ further marketing campaigns established commencing Easter
- New profitable export markets ⇨ global consumption increasing
- Maximise shareholder value