



Tassal 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

	Telephone	Facsimile		Telephone	Facsimile
Hobart, 5 Franklin Wharf, Hobart 7000	03 6211 9611	03 6224 0373	Dover Marine Ops, Narrows Road, Dover 7117	03 6298 1418	03 6298 1479
Sydney, 4/418 Leda Business Centre, 30 - 40 Harcourt Pde, Rosebery, 2018	02 9243 3211	02 9317 5598	Huon Marine Ops, Police Point Rd, Surges Bay 7109	03 6295 9500	03 6297 6312
Melbourne, 17/828 High St., Kew, Vic., 3101	03 9851 6822	03 9851 6855	Tasman Marine Ops, Badgers Cove, Nubeena 7184	03 6250 2448	03 6250 2356
Mornington, 100 Mornington Road, Mornington 7018	03 6244 9099	03 6244 8102	Bruny Island Ops, Rose Banks, Bruny Island 7150	03 6260 6252	03 6260 6330
Huonville, 191 Glen Road, Huonville 7109	03 6264 8670	03 6264 3175	Macquarie Harbour Ops, C/- Post Office, Strahan 7468	04 0985 9626	03 6471 7869
Dover Processing, Narrows Road, Dover 7117	03 6298 1455	03 6224 3062	Hatchery Operations, Westlyn, Westerway 7140	03 6288 1288	03 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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