



MEDIA RELEASE

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Tassal's focus on growing domestic market per capita consumption pays dividends

Tassal Group Limited (ASX: TGR) is pleased to announce its results for the 12 months ended 30 June 2013 (FY13), delivering 19.1% growth in statutory net profit after tax to \$33.46 million.

Results overview

(\$ million)	FY13	FY12	Change
Revenue	272.81	262.68	3.9%
EBITDA	69.03	60.54	14.0%
NPAT	33.46	28.09	19.1%
Operating cash flow	49.72	50.39	(1.3%)
Gearing (net debt/equity)	18.40%	25.56%	(28.0%)
Total dividend	9.5cps	8.0cps	18.7%
Operating Earnings			
Operating EBITDA	59.25	51.00	16.2%
Operating NPAT	26.61	22.15	20.1%

Tassal's Managing Director and CEO, Mr Mark Ryan, said that the FY13 results clearly demonstrated that the company's infrastructure investment and strategy to grow domestic market per capita consumption are delivering sustainable growth and increasing shareholder returns.

"Growing domestic market per capita consumption has not only removed the company's historic reliance on volatile export markets, importantly it has enabled us to generate growing sales and margins. As a result, we are now sustainably generating both more sales dollars and dollars per kilogram from slightly less volume sold.

"Our investment in infrastructure has produced world-class hatching, growing and processing facilities, which has enabled us to deliver the product range, innovation and supply to support our key markets and valued customers.

"Tassal's successful marketing campaign has enabled the Company to strongly grow domestic volumes through increasing per capita consumption. Importantly, the growth in domestic volumes has allowed us to strategically exit the lower margin export and contract growing markets.

"As a result, we have seen Tassal generate a greater overall operating profit and profit per kilogram from selling slightly less fish than twelve months ago. The company's growth over the past year continues the trend over the past three years with growing earnings, strong cashflows, reducing levels of debt, and a growing dividend stream.

"Underpinning everything we do is a commitment to a health and safety strategy that strives for 'Zero Harm For Everyone, Everywhere'. We firmly believe that no job is so important that it cannot be done safely," said Mr Ryan.

Continued growth in key financial metrics

Overall, revenue was up 3.9% to \$272.81 million (FY12: \$262.68 million) due to strong growth in core domestic sales, offset by a strategic reduction in contract growing and export revenues. Revenue in Tassal's core retail and wholesale markets was up 17.8% and 11.9% respectively. The company's new marketing campaign has positively impacted domestic market growth this year and we expect this to continue in FY14 as customers and consumers embrace new Tassal products.

Operating EBITDA was up 16.2% to \$59.25 million (FY12: \$51.00 million) and Operating NPAT was up 20.1% to \$26.61 million (FY12: \$22.15 million), reflecting the growth in contribution margin combined with relatively flat depreciation and interest expense.

Tassal generated relatively flat operating cashflows, down 1.3% to \$49.72 million (FY12: \$50.39 million) reflecting a reduction in government grants by \$2.88 million offset predominantly by reduced financing costs and reduction of finished stock held. Timing differences around receivables, creditors and other liabilities offset the positive movement in inventory, reflecting the company's program to actively reduce stock holdings of finished goods.

Tassal's balance sheet further strengthened with reduced gearing and funding ratios. Net debt to equity was down to 18.40% (FY12: 25.56%) and the funding ratio was down to 33.23% (FY12: 41.72%). Net assets were up 6.94% to \$315.55 million.

Continued growth in dividend

Given Tassal's operating results, growing balance sheet, cashflows and attractive growth prospects, the Directors declared a final 2013 unfranked dividend of 5.0 cents per share (FY12: 4.0 cents per share). The record date for this dividend is 13 September 2013 and payment date is 27 September 2013. The total dividend for the year was up 18.7% to 9.5cps.

Positive outlook

"Tassal is well positioned to continue to grow shareholder value through domestic market per capita consumption growth.

"Despite another hot summer 2012/13, we will continue to mitigate this risk with our New Harvest Strategy and Selective Breeding Program, combined with an appropriately positioned sales and marketing and pricing strategy. We remain focused on growing underlying domestic market per capita consumption.

"We are looking to implement further sustainability and environmental initiatives and are moving ever closer to achieving global best practice from an operational perspective" said Mr Ryan.

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Media / analyst queries:

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About Tassal

Tassal Group Limited (ASX: TGR) is a vertically integrated salmon grower, processor, seller and marketer. The Company produces and sells premium salmon products for both the Australian domestic and export markets. Tassal grows delicious, fresh and healthy Atlantic salmon in Tasmania's pristine waters and employs over 800 people. Visit www.tassal.com.au for more information.