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The Manager Listings
ASX Market Announcements
Australian Securities Exchange
Level 4, Exchange Centre
20 Bridge Street
Sydney NSW 2000

Via e-lodgement

Tassal rebalances sales channels to optimise returns

Tassal Group Limited (ASX: TGR) today announced that in line with its strategy to rebalance sales channels and optimise returns, it has decided to withdraw its tenders for two domestic retail supply contracts – Coles' fresh Salmon Deli business and fresh Salmon to Simplot for supply of packaged Salmon to Coles. The supply contracts for Coles fresh Salmon and Simplot will finish on 4 June 2016 and 30 June 2016, respectively.

This decision was taken to ensure Tassal continues to generate sustainable returns moving forward in light of warmer water impacting growing conditions for near term supply. As Tassal is rebalancing its sales channels to maintain sustainable returns, this decision is not expected to impact revenues and earnings going forward.

Tassal has had a long and enduring relationship with Coles. This relationship is not expected to change, and Tassal will continue to supply a wide range of other Salmon and Seafood products to Coles.

The domestic wholesale salmon market has had, and continues to have, supply restrictions and increased pricing to ensure impacts from a warm summer can be mitigated. This provides Tassal with the opportunity to redirect salmon production into other domestic markets to optimise returns following completion of the above contracts.

The export market continues to present favourable conditions given supply shortages globally that are expected to continue for the next two years, with increased pricing and a low Australian dollar. Tassal will continue to utilise the export market to balance sales volumes in line with optimising shareholder returns.

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Media / analyst queries:

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About Tassal

Tassal Group Limited (ASX: TGR) is a vertically integrated Salmon grower and Salmon and Seafood processor, seller and marketer. The Company produces and sells premium Salmon and Seafood products for both the Australian domestic and export markets. Tassal grows delicious, fresh and healthy Atlantic Salmon in Tasmania's fresh waters and through its De Costi Seafood business sources and processes a wide range of Seafood. Tassal is committed to taking a leadership role in sustainability in aquaculture and Seafood sourcing. The company employs over 1,200 people. Visit www.tassal.com.au for more information.

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