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# TasFOODS LTD

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ABN 53 084 800 902 ACN 084 800 902

Ms Cheng Tang  
Adviser (Listings) Melbourne  
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27 February 2017

Dear Ms Tang

## **TasFoods Limited – FY2016 Results Announcement - clarification**

It has come to TasFoods attention that the reference to revenue growth in the FY2016 Results Announcement dated 24 February 2017 might be misinterpreted.

Accordingly, we have clarified this paragraph in the attached document and re-issue it to assist the market.

Yours sincerely

**Janelle O'Reilly**  
**Company Secretary**



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## ASX ANNOUNCEMENT: 27 February 2017

TasFoods Limited (ASX: TFL) – Full-year Results for the year ended 31 December 2016

### Investing in a sustainable foundation for growth

TasFoods Limited is pleased to release its full-year results for the year ended 31 December 2016.

TasFoods CEO Jane Bennett said the results reflected a year of investment in the Company's businesses, and the development of shared systems and processes that would enable future growth across the businesses.

"Our focus last year was on investing in the businesses to position them for sustainable growth. We now have a solid foundation for growth in each of the three businesses within the Australian premium food market," Ms Bennett said.

The Group reported total sales revenue from continuing operations of \$15.98 million, compared with \$1.02 million in 2015. While revenue growth can be primarily attributed to the acquisition in June 2016 of Nichols Poultry Pty Ltd (generating sales of \$13.85 million) and Shima Wasabi Pty Ltd (generating sales of \$150,000), all operational business units achieved growth in sales volumes.

The statutory net loss before income tax of \$2.61 million included several significant non-recurrent expenditure items including:

- non-capitalised expenditure associated with acquisition and integration of Nichols Poultry Pty Ltd, Shima Wasabi Pty Ltd and a 500-head goat herd, and the identification of other potential acquisitions;
- completion of an integrated branding and marketing strategy, with final concepts for the branding and packaging of each business and product line being released in early 2017;
- development of ethical free-range chicken and goat dairy standards, which included the identification of best practice in animal husbandry to ensure that our products meet consumer expectations for both quality and the ethical treatment of animals; and
- legal fees attributable to the settlement of The Van Diemen's Land (VDL) Company litigation.



A reconciliation of the statutory net loss before tax to the underlying operating loss before income tax after taking into consideration the above factors is as follows:

	\$'000
Statutory loss from continuing operations before income tax *	(2,611)
Expenditure associated with the acquisition of Nichols, Shima and goat herd	218
Investment expenses	110
Marketing and brand development	497
Costs of establishing ethical free range and goat dairy standards	340
VDL settlement legal fees	74
Underlying operating loss from continuing operations before income tax *	<u>(1,372)</u>

Note:

\* Underlying operating loss from continuing operations before income tax is a non-IFRS measure as contemplated in ASIC Regulatory Guide 230 Disclosing non-IFRS financial information (RG230). Operating net profit before tax is used by management and the directors as the primary measure of assessing the financial performance of the Group and individual segments.

Ms Bennett said the Company now had in place a dedicated sales and marketing team that was establishing distribution channels to premium food retailers on Australia's eastern seaboard.

"Following the hard work and investment in the businesses last year, we are looking forward to selling our premium food products to high-end Australian consumers who we know are willing to pay more for quality, taste, ethical standards and the provenance of their food," she said.

"Our Meander Valley Dairy products, Robur Farm Dairy goat milk, Shima Wasabi and Nichols Poultry chicken products have been brought together under the Tasmanian Food Company brand, which represents the best produce that Tasmania has to offer."

Ms Bennett said the Company planned to launch a commercial-scale ethical free-range chicken into the Australian market in coming months to meet consumer expectations for the free-range rearing of poultry.

### TasFoods Contacts

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