
TasFOODS LTD

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By ASX Online

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Australian Securities Exchange
Exchange Centre
20 Bridge Street
Sydney NSW 2000

2017 Financial Results – Expected Impairment Charge

In advance of TasFoods Limited's (TasFoods) results announcement due in late February 2018, the Board wishes to provide an update to the market regarding an impairment of the value of goodwill associated with the acquisition of Shima Wasabi Pty Ltd.

The potential impairment charge has been identified following the completion of TasFoods annual intangible asset impairment testing process required by Australian Accounting Standards.

While Shima Wasabi reported unaudited growth in sales revenue of 13% in FY 17, future sales growth to support the carrying value of goodwill is not certain given the early stages of its product, market and customer development. As such a conservative approach has been taken with respect to the underlying calculations supporting the carrying amount of goodwill held in Shima Wasabi.

The amount of the impairment charge will be quantified during the finalisation of the audit for the year ended 31 December 2017. The total carrying value of goodwill to be written off will be an impairment charge (unaudited) of \$2.1 million.

The impairment has no effect on the current trading position of TasFoods.

TasFoods Executive Chairman, Shane Noble, noted "we remain confident in the long- term prospects and future opportunities that exist within the Australian and export market for wasabi. We do however recognise we are in the early stage of market development and sales growth may take time to reach its full potential. Given these factors we have adopted a prudent approach to the valuation of Shima Wasabi and its goodwill as at 31 December 2017 for financial reporting purposes".

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