

54 Tamar St, Launceston.
PO Box 425, Launceston, TAS, 7250.
(03) 6331 6983
admin@tasfoods.com.au

ABN 53 084 800 902 ACN 084 800 902

ASX ANNOUNCEMENT: 27 February 2018

TasFoods Limited (ASX: TFL) – Full-year Results for the year ended 31 December 2017

Laying the foundation for future profitability

2017 was an important foundation year for TasFoods as we integrated the operations of our dairy, chicken, wasabi and goat businesses into a common corporate structure with a comprehensive network of systems and processes, Executive Chairman Shane Noble said today.

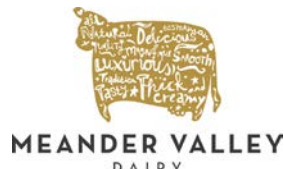
TasFoods reported strong revenue growth in 2017, with revenue for the 2017 financial year increasing to \$31.11 million from \$16.14 million in 2016, representing 93% growth in revenue year on year. While 2016 revenue reflects only six months of ownership of Nichols Poultry and Shima Wasabi, which were acquired in June 2016, revenue in H2 2017 was 13% higher than H2 2016 on a like for like basis.

The Company's financial result was a net loss before income tax of \$6.639 million, which included an impairment charge of \$2.12 million against the goodwill of Shima Wasabi. The trading net loss for the year (before tax and impairment charge) was \$4.52 million, compared to \$2.61 million in 2016. The net loss was below expectations with both the poultry and dairy division experiencing challenging operating conditions. This was primarily due to lower than anticipated poultry live weights and bird numbers available for processing, and the impact of commodity pricing on the dairy segment.

A major outcome in 2017 was the development of a unifying endorser brand, The Tasmanian Food Co., under which Nichols Poultry, Meander Valley Dairy and Shima Wasabi were rebranded and a goat brand, Robur Farm was established. A total of 37 products were rebranded under The Tasmanian Food Co. endorser brand structure, with a further 70 products created across the group and released in 2017.

In October 2017, TasFoods acquired the assets of Pyengana Dairy for consideration of \$1.62 million. Pyengana Dairy produces a range of fresh milk and award-winning Cloth Matured Cheddar cheese. This acquisition will provide increased scale within the existing dairy operations to enhance production efficiencies.

In addition to the acquisition of Pyengana Dairy, TasFoods invested \$2.278 million in infrastructure, plant and equipment. These investments are expected to contribute to improved financial performance in future reporting periods.



TasFOODS LTD

54 Tamar St, Launceston.
PO Box 425, Launceston, TAS, 7250.
(03) 6331 6983
admin@tasfoods.com.au

ABN 53 084 800 902 ACN 084 800 902

2018 Outlook

Mr Noble said that the advancement of business operations and investment in resources during 2017 has laid the foundation for future improvements in profitability. In 2018, TasFoods will continue to progress its strategy of growth through organic means in addition to potential acquisitive growth.

Organic growth will be generated from leveraging work undertaken in 2017 to enter new markets and channels, including the launch of new products and expanding off-island markets. Acquisitive growth will continue to be a strategic focus to build business scale and strengthen bottom line performance.

In 2018, TasFoods will continue to focus on optimising its operations by improving productivity from our existing asset base and investments in infrastructure and equipment.

TasFoods Contacts

Jane Bennett
Managing Director and CEO
+61 3 6331 6983

Janelle O'Reilly
Company Secretary
+61 3 6331 6983

