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By ASX Online

ASX Market Announcements Office
Australian Securities Exchange
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Market update

The Directors of TasFoods Limited ("TFL" or the "Company") are pleased to announce that in the 3 months to December 31, 2015, the first 3 full trading months under TFL ownership, sales of Meander Valley Dairy products showed a strong improvement over the prior comparable period. During this period the segment generated over \$700k of revenue from Meander Valley Dairy products which equates to an increase of just over 100% the revenue in the prior comparable period. This gain was achieved based on strong demand from both Coles and Woolworths, with particular strength in cream products.

Commenting on the results, Jane Bennett said 'Meander Valley Dairy continues to exhibit strong growth in its' traditional lines of premium creams and butter, and opportunities are emerging to broaden the product range in coming months. Based on these improvements we are in the process of seeking to relocate the Dairy operations to gain greater efficiencies, continue to expand the product range and manage the strong sales growth that Meander Valley Dairy is experiencing. The recent sales improvement gives me great confidence in the future of the Meander Valley Dairy brand.'

Since balance date, TFL settled its' case relating to The Van Diemens Land Company (VDL) resulting in a settlement of \$1.25 m to the Company. Whilst the outcome was disappointing, it confirms the views of the Board of TFL that there remain great opportunities to grow a vibrant Tasmanian branded food business. Indeed as a result of the VDL process, new opportunities continue to emerge which the Company is investigating in detail.

Rob Woolley, the Chair of TFL added, 'We remain strongly committed to developing TFL as a Tasmanian branded food Company, utilising the strong management team headed by Jane Bennett. The ongoing results from Meander Valley show that demand for quality Tasmanian food products remains strong.'

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If you have a query about any matter covered by this announcement, please contact Hugh Robertson on 0418 125 615 or Rob Woolley on 0414 508 130.