ASX ANNOUNCEMENT

TAG PACIFIC HALF YEAR RESULTS

Sydney – 27 February 2009 – Tag Pacific Limited (ASX: TAG) (NZX: TPC)

The Tag Pacific Group recorded an interim net profit after tax and minority interests of A$0.53 million for the 6 months to 31 December 2008, reversing the loss recorded in the prior corresponding period.

Revenue increased 8% from A$43.4 million to A$46.7 million. Gains from the positive movement in listed investments (principally the Tag Group's shareholding in the IBA Health Group) supplemented the Group's EBITDA from operating subsidiaries of A$1.85 million (before minority interests), down from A$2.99 million in the prior corresponding period.

The table below compares the result to the prior period:

	EBITDA Six months to 31 Dec 2008	**EBITDA Six months to 31 Dec 2007**	
Power Products & Renewable Energy Sector	A$1.46 million	A$1.93 million	Down
Interior Building Products Sector	A$0.39 million	A$1.06 million	Down
Technology Sector	A$0.48 million	(A$2.26 million)	Up
Group EBITDA (before minority interests and head office costs)	**A$2.33 million**	**A$0.73 million**	**Up**

The results for the half year highlight the benefit of the Group's diversified nature. Whereas for the half year to 31 December 2007, investments in the Power Products and Renewable Energy Sector and the Interior Buildings Products Sector recorded an increase, for the 2008 half year it was the stronger performance by the Technology Sector that was of benefit. The diversified nature of the Tag's Group investment portfolio enhances the Group's strength, particularly in the current uncertain financial times.

An overview of the performance of Tag's investment portfolio for the six months is set out below.

Power Products & Renewable Energy Sector

M+H Power Systems (57.7% owned) contributed EBITDA of A$1.46 million in the half year which was a fair performance in the circumstances. Sales continued to grow during the period under review.

In common with other import and distribution businesses, M+H Power's distribution activities were hampered by the significant fall in the Australian dollar during the period. The currency movement impacted on M+H Power's margins for the half year however this is expected to be of lesser impact in the second half. Notwithstanding this pressure on margins, M+H Power has maintained liquidity during the period.

The engineered solutions division, known as **Advanced Power**, continues to impress with its ability to design, commission and maintain complex standby power solutions including those for the defence and petrochemical sectors. Key projects have been won recently and the successful outcome of a number of large tenders may further strengthen Advanced Power's position in the medium term. Advanced Power is also pursuing some potentially exciting commercial opportunities using alternative forms of sustainable energy.

Technology Sector

The Tag Group's investment in the **IBA Health Group** (ASX: IBA) contributed a positive result for the first half with the IBA Health Group share price outperforming the market in the period. The IBA Health Group's share price rose from A$0.58 at 30 June 2008 to A$0.615 at 31 December 2008 and has generally traded at higher levels since balance date.

The IBA Health Group's half year results were released earlier this month, showing a pleasing EBITDA of A$67.5 million on revenues of A$275 million. The business continues to benefit from global investment in health IT by governments and the computerisation of healthcare records.

The IBA Health Group has confirmed its full year earnings guidance and has proposed a change of name to iSOFT Group Limited.

Tag's investment in **Unique World** (38% owned) delivered a lower equity accounted contribution (after tax) of approximately A$48k for the half year.

Whilst Unique World has a reasonable pipeline of projects moving into the second half, sales for the first half were below the prior period due to a number of major projects either being deferred or delayed. In order to remain flexible and responsive in the current climate, management have realigned the cost base of the business to suit a slowing market. Unique World continues to enjoy a good reputation in its field and is expecting an improved performance in the second half.

Interior Building Products Sector

Tag's investments in the Interior Building Products Sector recorded EBITDA before minority interests of A$0.39 million in the half year.

The result for **Potter Interior Systems** (wholly owned) was below expectation, in line with the general state of the New Zealand economy. However, Potter's exposure to the commercial building market in New Zealand (which is its prime market focus) has been of some benefit because the company has a lesser dependence on the residential building market which has suffered from a drop-off in activity. During the second quarter, management took active steps to reduce the cost base of the business to realign with softer market conditions. Increased focus on margins and inventory levels should also assist in the second half.

Comprador Pacific including the Charles Tims division (51% owned) also delivered a result below expectation. Adverse currency movements, softening sales and the management of inventories and supply lines have all proved to be challenges for the business during the period and will continue to be so while erratic market conditions persist. Several steps have been taken to counter these market conditions, including management changes and steps to boost productivity.

Dividend

A fully franked dividend of 0.75 cents per share was paid on 5 December 2008. In line with the previous corresponding period, an interim dividend has not been declared.

On-Market Buy-Back

To date no shares have been purchased under the current on-market buy-back program.

Outlook

Tag's financial position remains strong with shareholders' funds of A$28.8 million (before minority interests) and no borrowings at the parent company level. Net debt across the Group remains low and unchanged at 5% of total equity.

Tag remains committed to delivering on its strategy of aggregating like assets that focus on identified sectors. Notwithstanding the volatile economic times, the Group continues to seek new investments that can add real value, in parallel with our plan to increase the underlying scale and profitability of our existing investments.

We are open to new opportunities to acquire quality assets and believe that an increased number of attractive opportunities may well present themselves in coming months.

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