



Neptune Half Year Earnings Guidance

Neptune today provided guidance for its half year results, which will be released on 28 February 2011.

The unaudited results for the six months ended 31 December 2010 show:

- A significant recovery in the operating performance of the business in the December second quarter following a loss in the September first quarter.
- A major write down of asset values.

The Company has recorded a near break-even operating result for the December quarter, before write downs and one-off costs, following an EBIT loss in the September quarter of \$6 million (announced at the November 2010 AGM). Revenue for the half was approximately \$70 million, with revenue in the December quarter being nearly 40% up on the September quarter.

The results to 31 December 2010 do not however reflect the benefits of the cost saving initiatives announced earlier this month. Neptune has announced plans to remove approximately \$9.5 million in overhead costs, commencing in January 2011, and expects to save a further \$2 - \$4 million by rationalising or selling underperforming businesses and assets.

As part of the Company's refocus the Board has also reviewed the carrying values of all the Company's assets. The half year result will include \$99.5 million in asset write downs previously announced on 25 January 2011. In addition to the asset write downs, there were approximately \$6 million of further exceptional items relating to the capital raising and provision for doubtful debts. The write downs form part of the balance sheet restructuring that also includes an \$80.6 million capital raising process that is currently underway.

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