



TAG – THE POWER OF CONVERGENCE

Nathan Wise – Chief Executive Officer
Tag Pacific Limited Annual General Meeting 2012
30 October 2012

TAGPAC.COM
MPOWER.COM.AU

Strategically investing in power





YESTERDAY

TODAY

TOMORROW



YESTERDAY

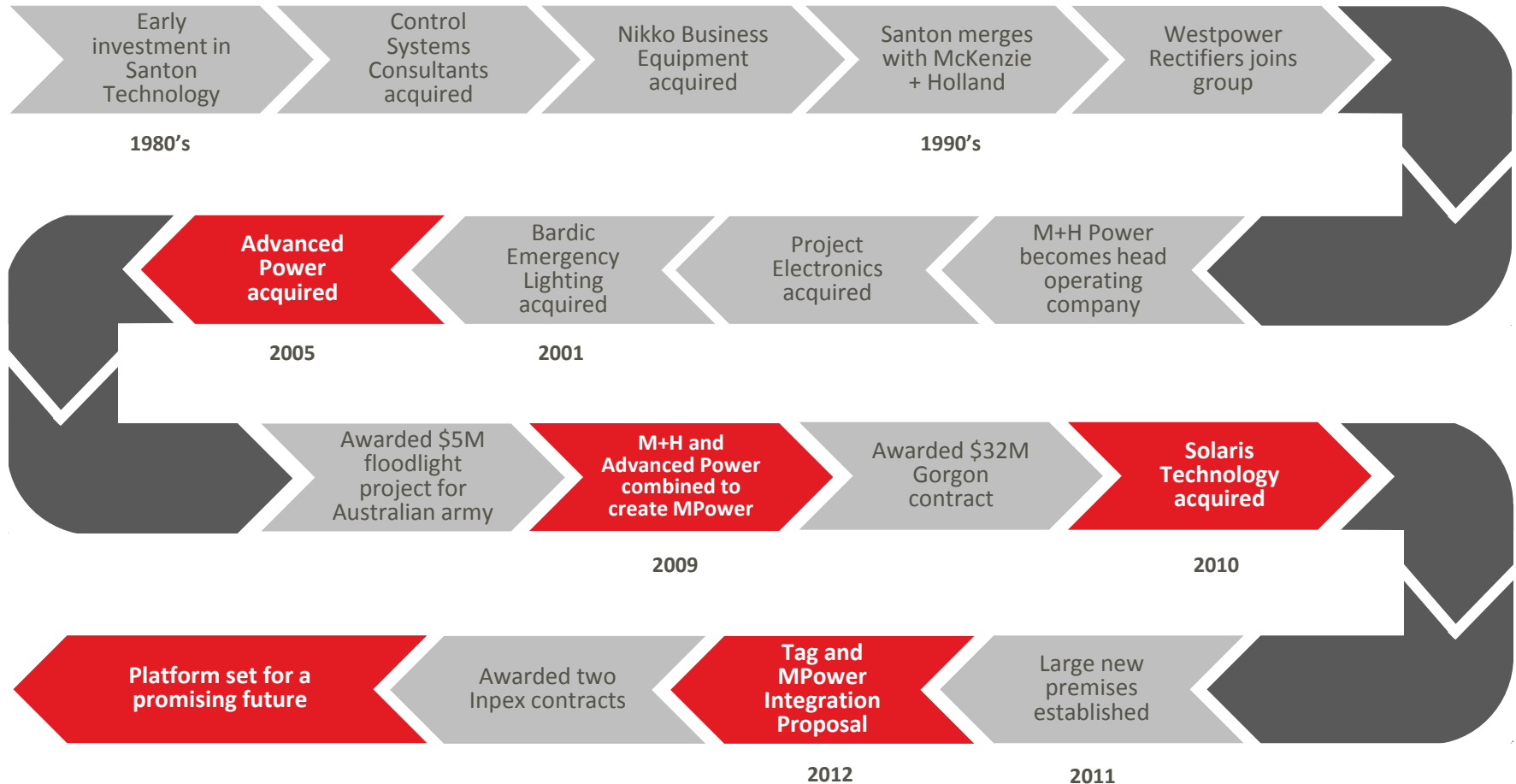
Where we have come from

- Tag has been a strategic investor with diversified investments
- Strong balance sheet
- Focussed on transactions to generate shareholder value
- Track record of successful transactions

Emergence of power

- Opportunities in power have emerged thanks to convergence
- Tag identified and executed numerous power acquisitions
- Power investments have performed well
- In recent years our expertise and investments in power started to dominate

TAG'S POWER SECTOR JOURNEY



ONE YEAR AGO

This time last year...

- Transitioning from a strategic investor with diversified investments to a strategic investor with focussed investments
- Investment in iSoft had just been sold
 - Proceeds of \$1.8 million received in July 2011
- Investment held in Unique World and RecordPoint businesses
 - 38% shareholding (equity accounted)
- Controlling 59% interest held in MPower
 - Subsidiaries M+H Power Systems, Advanced Power, Solaris Technology



*"We are now an investment company
strategically investing in power"*

YESTERDAY

TODAY

TOMORROW

A LOT HAS HAPPENED IN ONE YEAR

Since our last AGM...

- All non-power trading activities have been divested
 - Unique World and RecordPoint businesses disposed of in December 2011 for \$5.4 million
- MPower's operating entities have been rebranded to MPower
 - Advanced Power → MPower Projects
 - M+H Power Systems → MPower Products (Australia) and MPower Pacific (NZ + Pacific Islands)
 - Solaris Technology → MPower Solar Systems
- The successful completion of the Integration Proposal means that MPower is wholly owned by Tag
- Tag and MPower are now one group
 - All MPower shareholders are now Tag shareholders
 - Tag and MPower senior managers have formed one management team
 - A single tax consolidated group has been formed

NEW UNIFIED STRUCTURE



m|power
Projects

m|power
Products

m|power
Solar

m|power
Pacific

**Business
Services**

TAG FINANCIALS – FY2012



SHARE INFORMATION

- 93.6 million shares on issue (ASX: TAG)
- 10 million listed options on issue (exercisable at \$0.20) (ASX: TAGO)
- NTA per share of 35.4 cents at 30 June 2012 (before 5 cent dividend)
- Equity attributable to Tag shareholders rose from \$12.3m to \$27.0m in the 10 years to 30 June 2012
- Management alignment – circa 60% of shares held by senior management

12 month share price graph



ABOUT US

Board

Peter Wise (Chairman)	Robert Moran
Nathan Wise (Chief Executive Officer)	Gary Weiss
Robert Constable	Richard Peterson
Gary Cohen	Darrell Godin (Chief Financial Officer & Company Secretary)

Shareholders

	ordinary shares	listed options
Anthony Australia (Wise family)	38%*	50%
Paul Sharp & associates	14%	-
KV Management (Nominees)	7%	9%
1,600 shareholders	41%	41%

* Total relevant interest of 50%

SPOTLIGHT ON MPOWER

- Reputation for delivering reliable power solutions for critical applications
- Presence across Australia, NZ and Fiji
 - Established infrastructure
 - 9 warehouses
- Circa 145 employees
- Diverse capabilities across all manner of power systems:
 - Turnkey projects
 - Product distribution
 - Design and engineering
 - Installation and commissioning
 - Asset management



MPOWER'S OPERATIONS

Solar power systems

- Track record of designing and constructing solar power systems for commercial, industrial and residential applications
 - Particular strength in remote off-grid power solutions
- Top Australian supplier of solar systems components
 - Solar panels, inverters, batteries
- Significant expertise developed in power conversion and grid stability capabilities
 - Pioneers of a remote Grid Stability System for a government utility

Power systems for the Oil & Gas sector

- Established reputation for reliability amongst global oil & gas giants
- Recently awarded two Inpex contracts against international competition
 - Combined value of up to \$20m
- \$32m Chevron Gorgon contract successfully completed
- Large pipeline of prospects

MPOWER'S OPERATIONS

Commercial power systems

- Large installed base of back-up power systems
 - Service up to 60% of Sydney CBD's back-up power systems*
- Recognised as a leading systems integrator
- Successfully delivered several trigeneration systems
 - Experts in technically challenging circumstances

Distribution & wholesaling activities

- Established infrastructure across Australia & New Zealand
- Diverse range of power products
 - Batteries, emergency lighting, portable generators, solar panels, inverters
- Mix of proprietary brands and third party products

* Internal estimate



YESTERDAY

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NEW STRATEGIC DIRECTION

- An innovative company clearly focussed on power
- Aim to build diversified income streams from power-related activities
- Kick started by the successful Integration Proposal which received full shareholder support
- Plans to expand existing MPower activities and to move into new fields of endeavour beyond existing activities
- Capture the opportunities brought about by power convergence

TAG'S REFRESHED LEADERSHIP TEAM

- A team of dedicated executives with a depth of experience and diverse skills
- Nathan Wise recently appointed CEO
 - Previously Head of Corporate Development for 9 years
- Darrell Godin recently appointed CFO and Company Secretary
 - 12 years of experience with Investec Bank
- Peter Wise continues as Chairman
- Guided by 5 non-executive directors with broad commercial experience
- Strong MPower operational leadership

Paul Sharp → Managing Director, MPower Products

Brian O'Malley → Head of Sales, MPower Products

Anthony Csillag → Managing Director, MPower Projects

Dwayne Lange → Head of MPower Solar Systems

Billy Lavery → Head of MPower Pacific

POWER CONVERGENCE

What does this mean?

- Power activities which were once separate and distinct are now converging
- The lines are progressively being blurred
- Examples include hybrid systems, demand management, distributed generation

Aligning our capabilities

- At the same time, activities that were once undertaken by individual MPower companies are now converging under Tag
- We are aligning our capabilities to the new trends that are emerging
- Potential to extract synergies from existing activities
- The aim is to ensure we are best placed to capture future opportunities

POWER CONVERGENCE

Example – hybrid systems

- Australia has many remote communities that rely on diesel power
- These power systems can be supplemented with solar to create a hybrid system
- Adding a power storage capability and sophisticated control systems can increase solar viability
- In this way the various elements of the overall power system have converged
- Multiple areas of expertise are involved – previously this would have required a variety of suppliers
- MPower has the full range of capabilities in-house, giving it a distinct advantage
 - Solar and diesel design and engineering expertise
 - Access to solar, battery and inverter products
 - Remote area installation expertise
 - Power conversion, storage and stability experience

POWER CONVERGENCE

Example – trigeneration

- Trigeneration power systems use gas powered generators to produce electricity, hot water and chilled water
- Lower carbon footprint than grid power leading to green star improvements
- Provide base load power on site – supplemented by power from the grid
- Backup power systems are usually also required
- There are multiple elements to the site's overall power requirement
- The technology has converged and knowledge of each of the elements is needed
- MPower has the full range of capabilities in-house
 - Site analysis
 - System engineering and design
 - HVAC intellectual property
 - Control system and interconnection point expertise
 - Installation, commissioning and maintenance

GROWTH PROSPECTS

- Growth to be achieved in three ways
- Growth prospects are supported by Tag's strong balance sheet

Organic growth



Acquisitions



Innovation



GROWTH PROSPECTS

Organic growth

- Large pipeline of project opportunities following Inpex contract wins
- Greater leverage of distribution capability
- Focus on areas of convergence where synergies can be extracted

Acquisitions

- History of successful acquisitions
- Plan to target acquisitions that will deliver further competitive advantages
- Recently acquired DESMO intellectual property

Innovation

- Proprietary Grid Stability System
- Demand management solutions to alleviate pressure on power infrastructure
- Power Purchase Agreements / asset ownership / supply of power



SUMMARY: THE NEW TAG

- Tag has been transformed as an investment company focused on the power industry
- Rejuvenated management team to target substantial growth prospects
- A company winning significant new contracts against strong international competition
- Continuing the history of Tag profits through investment in market driven innovation



Phone +61 2 8275 6000
Fax +61 2 8275 6060
Email info@tagpac.com

Level 30 Piccadilly Tower
133 Castlereagh Street
GPO Box 4032
Sydney NSW 2001
Australia

TAGPAC.COM
MPOWER.COM.AU



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