
TASFOODS LTD

54 Tamar St, Launceston.
(03) 6331 6983
admin@tasfoods.com.au

ABN 53 084 800 902 ACN 084 800 902

ASX ANNOUNCEMENT: 22 August 2017

TasFoods Limited (ASX: TFL) – Half-year Results for the six months ended 30 June 2017

Building a strong foundation for future revenue growth

TasFoods Limited is pleased to release its half-year results for the six months ended 30 June 2017.

TasFoods CEO Jane Bennett said the results reflected the release of new premium food products and a focus on expanding production capacity, which had positioned the company well for future revenue growth.

“We have continued to ensure that the quality of products within the Tasmanian Food Co stable of brands are at the highest standard and, importantly, that the business aligns with evolving consumer preferences for premium quality, sustainable food,” Ms Bennett said.

During the six-month reporting period TasFoods released new product offerings including Nichols Poultry’s Ethical Free Range chicken range, Robur Farm goat dairy hard and soft cheese products and the resized Meander Valley Dairy double cream and crème fraiche products.

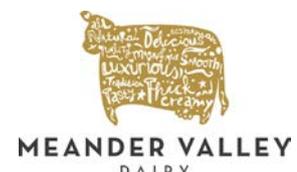
Ms Bennett said that increasing the national distribution of these products would be a key area of the Group’s revenue growth strategy in the second half of the year.

She said that the expansion of production capacity had occurred throughout the Group. The extension of the Nichols Poultry contract grower network, with four new barn-raised chicken sheds, is expected to increase capacity by approximately 600,000 birds per annum. Dairy capacity has been enhanced by the finalisation of the Meander Valley Dairy equipment upgrades, and the construction of a second greenhouse at Shima Wasabi will facilitate a doubling of production.

The Group reported a net loss after tax of \$1.833 million for the first half of 2017, compared with a net loss after tax of \$1.684 million in the first half of 2016. Earnings before interest and tax (EBIT) for the first half of 2017 was negative \$1.800 million compared with negative \$1.682 million for the first half of 2016.

In the first half of 2017 the Group reported revenue of \$14.427 million, compared to \$2.034 million in the first half of 2016 and \$13.981 million in the second half of 2016. The first half of 2016 included only 11 trading days for Nichols Poultry Pty Ltd and Shima Wasabi Pty Ltd due to the acquisitions being completed on 15 June 2016.

Expenditure for the Group in the first half of 2017 was \$16.583 million, compared to \$3.580 million in the first half of 2016 and \$16.229 million in the second half of 2016.



Ms Bennett said that while the company was now focused on a revenue growth strategy, it had concentrated during the half year on controlling expenditure, and generating efficiencies and cost savings within its production environments.

The Group maintained its strong balance sheet position at 30 June 2017, with net assets of \$33.14 million, including cash and cash equivalents of \$10.75 million (\$10.62 net of bank overdraft).

Activities undertaken in the first half of 2017 to establish brands, build capacity and distribution channels and deliver quality outcomes should provide a foundation for revenue growth. This will be a key focus for the Group in the second half of the year.

TasFoods Contacts

Jane Bennett

Managing Director and CEO

+61 3 6331 6983

Janelle O'Reilly

Company Secretary

+61 3 6331 6983