



---

## ASX ANNOUNCEMENT

---

### PRELIMINARY FINAL RESULTS

**Sydney – 29 August 2008 – Tag Pacific Limited (ASX: TAG) (NZX: TPC)**

The Tag Group's subsidiaries and associate companies had a reasonable year. Progress has been made on a number of fronts which is reflected in a solid result from the Group's investments in subsidiaries and associates. The overall result for the year was primarily impacted by a significant fall in the share price of listed investments.

Group revenue increased 5% to A\$88 million during the year despite a softening economic environment and adverse currency movements. Cash flow from operating activities increased 65% to A\$2.5 million and cash levels across the Group remained steady.

The company has maintained its dividend level of 0.75 cents per share and increased the franking percentage to 100%.

A simplified balance sheet detailing Tag's investment spread (net of minority equity interest and liabilities) is set out below:

		<b>Per Tag share</b>
IBA Health Group	A\$7.2 million	10.8 cents
M+H Power Group	A\$7.2 million	10.8 cents
Unique World Group	A\$2.1 million	3.2 cents
Interior Building Products Group	A\$3.5 million	5.2 cents
Other	A\$1.9 million	2.8 cents
<b>Total</b>	<b>A\$21.9 million</b>	<b>32.8 cents</b>

#### **Power products & renewable energy sector**

The **M+H Power Group** (58% owned) continued on its grow path during the year, recording a healthy EBITDA of A\$3.6m on revenue of A\$46 million. All business units in the M+H Power Group contributed to the pleasing result with sales advancing approximately 21% over the previous year.



The M+H Power Group is experiencing strong sales growth in the telecommunications, resources and military sectors and the trend is expected to continue for some time. The M+H Power Group has also reaped the benefit of increased activity in the renewable energy sector and is well positioned to take a leading role in this niche sector as it develops further.

Tag is actively pursuing opportunities to invest further in the power products and renewable energy sector.

#### **Interior building products sector**

Tag's two investments in the interior building products sector experienced a modest year following a very good result in the 2007 financial year (which included some extraordinary items). This sector has been adversely impacted by volatility in global financial markets and its effect on the level of building and construction. Both businesses market a unique range of building products for commercial interiors, primarily walls and ceilings. The businesses also assemble leading ranges of proprietary whiteboards, pinboards and acoustic panels.

**Potter Interior Systems** (100% owned) in New Zealand started the year well but fell victim to softening New Zealand market conditions in the second half. The business has strengthened its senior management team and established a new insulation installation division and is expected to return a healthier contribution in the 2009 financial year.

Meanwhile in Australia, **Comprador Pacific** (51% owned) is successfully broadening its product range and has strengthened its balance sheet management and operating efficiency during the year. The results of the company's repositioning are expected to flow in the 2009 financial year.

#### **Technology sector**

The Tag Group has maintained its holding in **IBA Health Group** (ASX: IBA) during a year in which the company acquired iSOFT Group plc and became a truly global business and the largest health information technology company listed on the Australian Securities Exchange.

On 25 August 2008, IBA Health Group announced a record annual result and has given guidance of further significant growth in earnings for the 2009 financial year. Further details of IBA Health Group's activities are publicly available.

The progress made by IBA Health Group during the 2008 year was not reflected in its share price which fell from A\$1.11 at the start of the year to A\$0.58 at 30 June 2008, leading to a fair value loss in Tag's accounts of A\$6.5 million for the year, despite the company increasing its underlying EBITDA from A\$32 million to A\$106 million. It is pleasing to see IBA Health Group's share price has rebounded to some extent since balance date.



The Tag Group's investment in **Unique World** (38% owned) delivered a very pleasing equity accounted contribution of A\$0.59 million after tax for the year. Tag is now the largest shareholder in Unique World following a series of buy-backs undertaken by the company in recent years.

Unique World's continued growth is reflected in the 41% increase in revenue and 47% increase in profit before tax over the prior year, with expectations of an even better year to come.

### **Outlook**

The Tag Group is well positioned in the current economic climate. The Group holds a diverse portfolio of quality sound investments and has no borrowings at the parent company level and a net debt to equity ratio of 5% across the Group. The combined market value of the Group's investments in subsidiaries and associates is considered to be well above the recorded carrying value of those investments.

Tag's balance sheet remains solid with an NTA of 31.2 cents per share at balance date notwithstanding the significant decrease in the market value of the investment in the IBA Health Group relative to the prior year.

There is greater scope for the Tag Group to increase its investment activity in the current economic climate if prices and valuations begin to return to more acceptable levels as expected.

Tag is committed to creating value for shareholders and is well resourced to springboard from its current position to a new level of activity.

---

**ENDS**

---

**For further information please contact:**

Peter Wise  
Chairman  
Tag Pacific Limited  
Tel: +61 2 8275 6000

Nathan Wise  
Company Secretary  
Tag Pacific Limited  
Tel: +61 2 8275 6000

## Appendix 4E

### Preliminary Final Report to the Australian Securities Exchange

<b>Name of Entity</b>	Tag Pacific Limited
<b>ACN</b>	009 485 625
<b>Financial Year Ended</b>	30 June 2008
<b>Previous Corresponding Reporting Period</b>	30 June 2007

#### Results for announcement to the market

	\$'000	Percentage increase / (decrease) over previous corresponding period
<b>Revenue</b>	\$87,997	5%
<b>Other income</b>	(\$6,573)	(224%)
<b>Loss after tax attributable to members</b>	(\$5,148)	(178%)
<b>Net loss for the period attributable to members</b>	(\$5,148)	(178%)
<b>Dividends</b>	<b>Amount per security</b>	<b>Franked amount per security</b>
<b>Final Dividend</b>	0.75 cents	0.75 cents
<b>Previous corresponding period</b>	0.75 cents	0.375 cents
<b>Record date for determining entitlements to the dividends (if any)</b>	11 November 2008	
<b>Brief explanation of any of the figures reported above necessary to enable the figures to be understood:</b>		
Other income includes fair value losses on financial assets designated as at fair value through profit or loss upon initial recognition and gains on disposal of assets.		
The percentage movements over the previous corresponding period have been based on restated amounts for revenue and other income in respect of the year to 30 June 2007.		

## Dividends

A dividend of 0.75 cents per share, franked to 50%, was paid to members of Tag Pacific Limited on 15 October 2007.

A dividend of 0.75 cents per share, franked to 100%, is now declared. The record date for determining entitlements to the dividend is 11 November 2008 and the payment date is 5 December 2008. This dividend has not been provided for in the balance sheet at 30 June 2008.

## NTA Backing


	Current Period	Previous corresponding period
<b>Net tangible asset backing per ordinary security</b>	31.2¢	40.3¢

## Other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position

Refer to attachment.

## Attachments forming part of Appendix 4E

Attachment #	Details
1.	Annual Financial Report
2.	ASX Release

<b>Signed by Chairman</b>	
<b>Print Name</b>	Peter Wise
<b>Date</b>	29 August 2008