



ASX ANNOUNCEMENT

PRELIMINARY FINAL REPORT

Sydney – 25 August 2009 – Tag Pacific Limited (ASX: TAG) (NZX: TPC)

The Tag Group reported net profit after tax and minorities of A\$1.18 million for the year to 30 June 2009. The positive contribution for the year was most welcome in light of the prevailing economic landscape but falls short of our view of the Group's earnings potential. Group EBITDA was A\$4.2 million (before minority interests and head office costs), being somewhat less than target, but nevertheless pleasing in the circumstances.

Revenue of A\$87 million for the year was roughly in line with last year, illustrating the resilience of the Group's investments to withstand tougher economic times. Cash flow from operating activities remained positive for the year and the Group's net debt to equity ratio was below 5% at year end.

Due to the uncertain economic conditions, there were no significant acquisitions or disposals during the year despite a number of opportunities being explored. Several opportunities remain under active consideration.

The following is an analysis of Tag's net assets after the deduction of minority interests. The value attributed to the iSOFT investment reflects the closing market price at balance date which has increased substantially since then. Other investments are shown at their net asset value which is not necessarily reflective of their true worth.

		Per Tag share
MPower Group	A\$7.91 million	11.5 cents
iSOFT Group	A\$7.14 million	10.4 cents
Unique World Group	A\$2.33 million	3.4 cents
Interior Building Products Group	A\$3.25 million	4.7 cents
Other	A\$2.37 million	3.5 cents
Total	A\$23.0 million	33.5 cents



Power sector

The Group's investment in this sector underwent a metamorphosis during the year under review with the introduction of **MPower**. Tag announced this next stage of the growth and development of its subsidiaries **M+H Power** and **Advanced Power** shortly after year end following many months of planning and preparation.

MPower is a new brand and corporate structure that unites the Group's offering of stored, emergency, generated and green power solutions.

A restructure was commenced during the financial year and implemented in July 2009 whereby MPower Group Pty Limited became the parent company for the M+H Power and Advanced Power businesses which have been reclassified into eight specialised business units across multiple geographies. The restructure has been undertaken to better align the group; leverage the strengths across the group; and enhance the perception of the group in the market. As a result of the restructure, Tag now holds a 60% interest in the MPower Group, a slight increase on its earlier interest in M+H Power.

MPower's revenue increased during the year to A\$47 million as the Group continued to broaden its activities across Australia, New Zealand and Fiji. EBITDA of A\$2.7 million was lower than the previous year, due mainly to adverse currency movements and greater competition in some of its distribution activities. MPower continues to tender for and win contracts for specialised power solutions and has earned a reputation for engineering excellence and reliability.

The outlook for the MPower Group is promising, both in terms of organic growth and acquisition opportunities.

Interior building products sector

Tag's investments in the interior building products sector have weathered the economic storm, testing the robustness of the business model and niche market position. Revenue in this sector fell slightly to A\$40 million, in part due to the effects of a deterioration in the translation rate from New Zealand currency, and a modest EBITDA of A\$0.3 million was recorded.

Potter Interior Systems (100% owned) in New Zealand has withstood the severe market downturn that has devastated many weaker players in its industry by making significant reductions in its overhead structure without overly affecting its core business. These structural changes will be beneficial over the medium to longer term but came at the expense of significant one-off restructure costs that impacted profitability during the year.



In Australia, **Comprador Pacific** (51% owned) has navigated the slowdown in the commercial construction sector with relative grace but not without some difficulty. Comprador has weathered the economic storm and maintained relatively consistent sales volumes. The company also withstood the adverse exchange rate movements last year which had a temporary but significant impact on its financial performance and position.

Comprador continues to adjust its cost base and product offering to suit the prevailing market conditions and these moves have resulted in some non-recurring restructure costs. The **Charles Tims** division is expected to be a beneficiary of government spending in the education sector in which Charles Tims specialises.

With both companies now operating on a lower cost base and with increased focus on product mix and stockholdings, they are well placed to return to more acceptable levels of profitability when the sector rebounds.

Technology sector

The Tag Group's investment in **iSOFT Group** (formerly known as IBA Health) has outperformed the wider market during the year. iSOFT Group has cemented its position as a global leader in healthcare information systems, recently announcing an EBITDA of A\$132 million for the year on revenues of A\$539 million.

In March 2009, iSOFT Group raised A\$124 million from institutional and retail investors. Tag adjusted its iSOFT shareholding during the year by disposing of some iSOFT shares on market while also participating in the capital raising. Tag continues to be one of the largest investors in iSOFT Group and at year end held approximately 11 million shares with a value of approximately A\$7.1 million (at A\$0.645 cents per share).

Tag's realised and unrealised gains on its iSOFT Group investment amounted to A\$0.9 million for the year to 30 June 2009. The iSOFT Group share price has improved further since balance date.

Tag's **Unique World** investment (38% owned) has felt the effects of the global economic crisis, with revenues falling from the prior year's record. Despite this, Unique World has delivered a profit for the year and was able to pay a dividend to its shareholders. Management's core focus during the year was to restructure and redefine the business in light of changing demand patterns, where the company's blue chip client base delayed making commitments on IT infrastructure.

Unique World continues to be a leading provider of Microsoft based technology solutions with a focus on information management. Unique World has developed proprietary records management software which is gaining traction in the market and should be a healthy contributor to the business's future earnings. The company is well placed to continue to service its blue chip corporate and government clients.



Outlook

The Tag Group continues to deliver on its stated strategy of increasing the size and scale of its investments. Whilst the year just completed has certainly had its fair share of challenges, the Group's investments have emerged from the tougher trading conditions in comparatively better shape than many of their competitors.

The current market conditions provide greater opportunities for Tag to acquire quality assets at justifiable values. We have been actively exploring these opportunities whilst keeping an eye on our existing investments to ensure they are prudently managed during these uncertain times.

Tag's solid balance sheet, cash reserves and relatively low levels of debt are of great comfort in the circumstances.

Tag is maintaining its fully franked dividend level of 0.75 cents per share and the Dividend Reinvestment Plan introduced last year remains activated.

A note of thanks is extended to management and staff across the Tag Group for their efforts during the year.

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

Name of Entity	Tag Pacific Limited
ACN	009 485 625
Financial Year Ended	30 June 2009
Previous Corresponding Reporting Period	30 June 2008

Results for announcement to the market

	\$'000	Percentage increase /(decrease) over previous corresponding period
Revenue	86,930	(1%)
Other income	879	113%
Profit after tax attributable to members	1,185	123%
Net profit for the period attributable to members	1,185	123%
Dividends	Amount per security	Franked amount per security
Final Dividend	0.75 cents	0.75 cents
Previous corresponding period	0.75 cents	0.75 cents
Record date for determining entitlements to the dividends (if any)	18 September 2009	
Brief explanation of any of the figures reported above necessary to enable the figures to be understood:		
Refer to the attached Annual Financial Report and ASX announcement.		

Dividends

Date the dividend is payable	16 October 2009
Record date to determine entitlement to the dividend	18 September 2009
Amount per security	0.75 cents
Total dividend	A\$515,145
Amount per security of foreign sourced dividend or distribution	none
Details of any dividend reinvestment plan in operation	activated
The last date for receipt of an election notice for participation in any dividend reinvestment plan	18 September 2009

NTA Backing


	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security	31.9¢	31.2¢

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

Refer to the attached Annual Financial Report and ASX announcement.

Attachments forming part of Appendix 4E

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

Signed by Chairman	
Print Name	Peter Wise
Date	25 August 2009