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## ANNOUNCEMENT

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**TO:** Australian Stock Exchange      **Fax:** 1900 999 279  
New Zealand Stock Exchange      **Fax:** 0011 644 473 1470

**FROM:** Tag Pacific Limited ACN 009 485 625

**DATE:** 13 March 2003

**PAGES:** 23 inclusive



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### TAG PACIFIC LIMITED

### HALF YEAR ENDED 31 DECEMBER 2002

Tag Pacific has reported an after tax profit of A\$16,000 for the half year ended 31 December 2002, an improvement on the loss of A\$71,000 for the same period in the previous year.

Tag Group revenue of A\$15.672m was 21% up on the revenue of A\$12.898m for the previous comparative period, the improvement in sales primarily resulting from the activities of Potter Interior Systems Limited in New Zealand.

The increase in sales assisted Potters by offsetting tight margins in the suspended ceiling division of its business, whilst other componentry for commercial interiors, insulation and board products all fared better. As it continues to successfully diversify its product range and activities, Potters is considering a number of expansion options.

Comprador Pacific Pty Limited recorded a flat half, with sales and margins maintaining earlier trends. The moves to diversify the product base into board products through Tecoa and into gypsum products through a new Queensland based division have been slow to bring results. However the expectation is for generally improving fortunes as these activities develop and mature. The results for Comprador were boosted somewhat by the sale of its Melbourne property, which delivered a capital gain.

M+H Power Systems Pty Limited and its wholly owned subsidiary are equity accounted and their sales are therefore not included in the Tag Group revenue figure. M+H Power performed well during the period under review, particularly so in the merchandising of batteries and related products. The company is now increasing its focus on the in-house design and assembly of specialised power systems and related products, an area which holds future potential.

The Tag Group has maintained its interest in IBA Health Limited and continues to believe that the sector in which IBA operates has considerable potential. Details of the affairs of IBA Health Limited are a matter of public record (ASX code: IBA).

The Unique World Group, in which Tag has an interest, has operated very successfully in recent months. As one of only a few Australian companies to have gained Microsoft Managed Partner Status, Unique World has enjoyed significant benefit from this alliance.

The holding in the Chaos Group has remained unchanged during the half year. The affairs of Chaos Group Limited are a matter of public record (ASX: CHS).

For and on behalf of the Board  
Tag Pacific Limited



Peter Wise  
Chairman

Web addresses of entities mentioned in this report:

[www.comprador.com.au](http://www.comprador.com.au)

[www.potters.co.nz](http://www.potters.co.nz)

[www.mhpower.com.au](http://www.mhpower.com.au)

[www.uniqueworld.net.au](http://www.uniqueworld.net.au)

[www.ibatech.com](http://www.ibatech.com)

[www.chaosmusic.com.au](http://www.chaosmusic.com.au)

**Appendix 4B (rule 4.13(b))  
Half yearly/preliminary final report**

# Appendix 4B (rule 4.13(b))

## Half yearly/preliminary final report

Introduced 1/7/2000.

Name of entity

**TAG PACIFIC LIMITED**

ACN, ARBN or ARSN

73 009 485 625

Half yearly  
(tick)



Preliminary  
final (tick)



Half year ('current period')

31 December 2002

### For announcement to the market

*Extracts from this report for announcement to the market (see note 1).*

\$A'000

Revenues from ordinary activities (item 1.1)	Up	21% to	15,672
Profit from ordinary activities after tax (before amortisation of goodwill) attributable to members (item 1.20)	Up	to	22
Profit from ordinary activities after tax attributable to members (item 1.23)	Up	to	16
(Loss) from extraordinary items after tax attributable to members (item 2.5(d))	gain (loss) of		-
Net profit for the period attributable to members (item 1.11)	Up	to	16
<b>Dividends (distributions)</b>		Amount per security	Franked amount per security
Final dividend (Preliminary final report only - item 15.4)		NIL ¢	NIL ¢
Interim dividend (Half yearly report only - item 15.6)		NIL ¢	NIL ¢
Previous corresponding period (Preliminary final report - item 15.5; half yearly report - item 15.7)		NIL ¢	NIL ¢
*Record date for determining entitlements to the dividend, (in the case of a trust, distribution) (see item 15.2)	N/A		
Brief explanation of omission of directional and percentage changes to profit in accordance with Note 1 and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:			

**Appendix 4B (rule 4.13(b))  
Half yearly/preliminary final report**

**Consolidated statement of financial performance**

	Current period - \$A'000	Previous corresponding period - \$A'000
1.1 Revenues from ordinary activities	15,672	12,898
1.2 Expenses from ordinary activities ( <i>see items 1.24 + 12.5 + 12.6</i> )	(15,717)	(12,917)
1.3 Borrowing costs	(122)	(76)
1.4 Share of net profit (loss) of associates and joint venture entities ( <i>see item 16.7</i> )	147	88
<b>1.5 Profit (loss) from ordinary activities before tax</b>	<b>(20)</b>	<b>(7)</b>
1.6 Income tax on ordinary activities ( <i>see note 4</i> )	104	1
<b>1.7 Profit (loss) from ordinary activities after tax</b>	<b>84</b>	<b>(6)</b>
1.8 Profit (loss) from extraordinary items after tax ( <i>see item 2.5</i> )	-	-
<b>1.9 Net profit (loss)</b>	<b>84</b>	<b>(6)</b>
1.10 Net (profit)/loss attributable to outside +equity interests	(68)	(65)
<b>1.11 Net profit (loss) for the period attributable to members</b>	<b>16</b>	<b>(71)</b>

**Consolidated retained profits**

1.12 Retained profits (accumulated losses) at the beginning of the financial period	(3,822)	(2,575)
1.13 Net profit (loss) attributable to members ( <i>item 1.11</i> )	16	(71)
1.14 Net transfers to and from reserves	-	-
1.15 Net effect of changes in accounting policies	-	-
1.16 Dividends and other equity distributions paid or payable	-	-
<b>1.17 Retained profits (accumulated losses) at end of financial period</b>	<b>(3,806)</b>	<b>(2,646)</b>

**Profit restated to exclude  
amortisation of goodwill**

	Current period \$A'000	Previous corresponding period \$A'000
1.18 Profit (loss) from ordinary activities after tax before outside equity interests ( <i>items 1.7</i> ) and amortisation of goodwill	101	17
1.19 Less (plus) outside +equity interests	(76)	(74)
<b>1.20 Profit (loss) from ordinary activities after tax (before amortisation of goodwill) attributable to members</b>	<b>25</b>	<b>(57)</b>

**Appendix 4B (rule 4.13(b))**  
**Half yearly/prelliminary final report**

**Profit (loss) from ordinary activities attributable to members**

	Current period \$A'000	Previous corresponding period \$A'000
1.21 Profit (loss) from ordinary activities after tax ( <i>item 1.7</i> )	84	(6)
1.22 Less (plus) outside +equity interests	(68)	(65)
<b>1.23 Profit (loss) from ordinary activities after tax, attributable to members</b>	<b>16</b>	<b>(71)</b>

**Revenue and expenses from ordinary activities**

*AASB 1004 requires disclosure of specific categories of revenue and AASB 1018 requires disclosure of expenses from ordinary activities according to either their nature of function. Entities must report details of revenue and expenses from ordinary activities using the layout employed in their accounts. See also items 12.1 to 12.6.*

	Current period \$A'000	Previous corresponding period \$A'000
1.24 Details of revenue and expenses		
Revenue - Operating Expenses		
- Sale of goods	14,355	12,773
- Interest received	116	107
- Other revenue	14	-
Non-Operating Activities		
- Proceeds on disposal of property, plant & equipment	1,187	18
Total revenues from ordinary activities	15,672	12,898
Expenses		
- Cost of goods sold	10,930	9,349
- Employee benefit expenses	1,953	1,677
- Depreciation & amortisation	145	132
- Occupancy expenses	332	288
- Other operating expenses	1,476	1,471
Total Expenses	14,836	12,917

**Appendix 4B (rule 4.13(b))**  
**Half yearly/preliminary final report**

### Intangible and extraordinary items

		<i>Consolidated - current period</i>			
		Before tax \$A'000  (a)	Related tax \$A'000  (b)	Related outside + equity interests \$A'000  (c)	Amount (after tax) attributable to members \$A'000  (d)
2.1	Amortisation of goodwill	17	-	(8)	9
2.2	Amortisation of other intangibles	-	-	-	-
<b>2.3</b>	<b>Total amortisation of Intangibles</b>	17	-	(8)	9
2.4	Extraordinary items (details)	-	-	-	-
<b>2.5</b>	<b>Total extraordinary items</b>	-	-	-	-

### Comparison of half year profits

*(Preliminary final report only)*

		Current year - \$A'000	Previous year - \$A'000
3.1	Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the 1st half year (item 1.23 in the half yearly report)	N/A	N/A
3.2	Consolidated profit (loss) from ordinary activities after tax attributable to members for the 2nd half year	N/A	N/A

**Appendix 4B (rule 4.13(b))**  
**Half yearly/preliminary final report**

<b>Consolidated statement of financial position</b>		At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly report \$A'000
<b>Current assets</b>				
4.1	Cash	4,701	4,926	4,025
4.2	Receivables	5,696	4,970	4,764
4.3	Investments	-	-	-
4.4	Inventories	5,574	5,392	5,314
4.5	Other (provide details if material)	524	415	298
<b>4.6</b>	<b>Total current assets</b>	<b>16,495</b>	<b>15,703</b>	<b>14,401</b>
<b>Non-current assets</b>				
4.7	Receivables	-	-	-
4.8	Investments (equity accounted)	2,088	1,969	1,793
4.9	Other investments	2,689	2,590	3,774
4.10	Inventories	-	-	-
4.11	Exploration and evaluation expenditure capitalised (see para .71 of AASB 1022)	-	-	-
4.12	Development properties (*mining entities)	-	-	-
4.13	Other property, plant and equipment (net)	778	1,556	1,619
4.14	Intangibles (net)	35	52	77
4.15	Other (provide details if material)	-	-	-
<b>4.16</b>	<b>Total non-current assets</b>	<b>5,590</b>	<b>6,167</b>	<b>7,263</b>
<b>4.17</b>	<b>Total assets</b>	<b>22,085</b>	<b>21,870</b>	<b>21,664</b>
<b>Current liabilities</b>				
4.18	Payables	4,737	4,730	4,488
4.19	Interest bearing liabilities	1,895	1,972	1,868
4.20	Provisions	238	246	229
4.21	Other (provide details if material)	-	-	-
<b>4.22</b>	<b>Total current liabilities</b>	<b>6,870</b>	<b>6,948</b>	<b>6,585</b>
<b>Non-current liabilities</b>				
4.23	Payables	-	-	-
4.24	Interest bearing liabilities	1,574	1,458	752
4.25	Provisions	18	24	25
4.26	Other (provide details if material)	-	-	-
<b>4.27</b>	<b>Total non-current liabilities</b>	<b>1,592</b>	<b>1,482</b>	<b>777</b>
<b>4.28</b>	<b>Total liabilities</b>	<b>8,462</b>	<b>8,430</b>	<b>7,362</b>
<b>4.29</b>	<b>Net assets</b>	<b>13,623</b>	<b>13,440</b>	<b>14,302</b>

**Appendix 4B (rule 4.13(b))**  
**Half yearly/preliminary final report**

**Consolidated statement of financial position continued**

	<b>Equity</b>			
4.30	Capital/contributed equity	15,443	15,443	15,443
4.31	Reserves	810	709	428
4.32	Retained profits (accumulated losses)	(3,806)	(3,822)	(2,646)
<b>4.33</b>	<b>Equity attributable to members of the parent entity</b>	<b>12,447</b>	<b>12,330</b>	<b>13,225</b>
4.34	Outside equity interests in controlled entities	1,176	1,110	1,077
<b>4.35</b>	<b>Total equity</b>	<b>13,623</b>	<b>13,440</b>	<b>14,302</b>
4.36	Preference capital included as part of 4.33	-	-	-

**Exploration and evaluation expenditure capitalised**

*To be completed only by entities with mining interests if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit.*

	Current period \$A'000	Previous corresponding period - \$A'000
5.1	Opening balance	
5.2	Expenditure incurred during current period	
5.3	Expenditure written off during current period	
5.4	Acquisitions, disposals, revaluation increments, etc.	
5.5	Expenditure transferred to Development Properties	
<b>5.6</b>	<b>Closing balance as shown in the consolidated balance sheet (item 4.11)</b>	<b>N/A</b>

**Development properties**

*(To be completed only by entities with mining interests if amounts are material)*

	Current period \$A'000	Previous corresponding period - \$A'000
6.1	Opening balance	
6.2	Expenditure incurred during current period	
6.3	Expenditure transferred from exploration and evaluation	
6.4	Expenditure written off during current period	
6.5	Acquisitions, disposals, revaluation increments, etc.	
6.6	Expenditure transferred to mine properties	
<b>6.7</b>	<b>Closing balance as shown in the consolidated balance sheet (item 4.12)</b>	<b>N/A</b>



**Appendix 4B (rule 4.13(b))  
Half yearly/preliminary final report**

**Consolidated statement of cash flows**

		Current period \$A'000	Previous corresponding period - \$A'000
<b>Cash flows related to operating activities</b>			
7.1	Receipts from customers	16,562	14,387
7.2	Payments to suppliers and employees	(16,602)	(14,686)
7.3	Dividends received from associates	28	-
7.4	Other dividends received	-	-
7.5	Interest and other items of similar nature received	116	107
7.6	Interest and other costs of finance paid	(122)	(77)
7.7	Income taxes paid	-	-
7.8	Other (provide details if material)	-	-
<b>7.9</b>	<b>Net operating cash flows</b>	<b>(18)</b>	<b>(269)</b>
<b>Cash flows related to investing activities</b>			
7.10	Payment for purchases of property, plant and equipment	(197)	(142)
7.11	Proceeds from sale of property, plant and equipment	12	18
7.12	Payment for purchases of equity investments	-	(3)
7.13	Proceeds from sale of equity investments	-	-
7.14	Loans to other entities	-	-
7.15	Loans repaid by other entities	33	-
7.16	Other (provide details if material)	-	-
<b>7.17</b>	<b>Net investing cash flows</b>	<b>(152)</b>	<b>(127)</b>
<b>Cash flows related to financing activities</b>			
7.18	Proceeds from issues of *securities (shares, options, etc.)	-	-
7.19	Proceeds from borrowings	79	106
7.20	Repayment of borrowings	(206)	(38)
7.21	Dividends paid	-	-
7.22	Other (provide details if material)	-	(98)
<b>7.23</b>	<b>Net financing cash flows</b>	<b>(127)</b>	<b>(30)</b>
<b>7.24</b>	<b>Net increase (decrease) in cash held</b>	<b>(297)</b>	<b>(426)</b>
7.25	Cash at beginning of period (see Reconciliation of cash)	4,926	4,377
7.26	Exchange rate adjustments to item 7.25.	19	38
<b>7.27</b>	<b>Cash at end of period</b> (see Reconciliation of cash)	<b>4,648</b>	<b>3,989</b>

**Appendix 4B (rule 4.13(b))**  
**Half yearly/preliminary final report**

### Non-cash financing and investing activities

*Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.*

N/A

### Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current period \$A'000	Previous corresponding period - \$A'000
8.1	Cash on hand and at bank	289	77
8.2	Deposits at call	4,412	3,948
8.3	Bank overdraft	(53)	(36)
8.4	Other (provide details)	-	-
<b>8.5</b>	<b>Total cash at end of period (item 7.27)</b>	<b>4,648</b>	<b>3,989</b>

### Ratios

		Current period	Previous corresponding period
<b>Profit before tax / revenue</b>			
9.1	Consolidated profit (loss) from ordinary activities before tax (item 1.5) as a percentage of revenue (item 1.1)	(0.13)%	(0.05)%
<b>Profit after tax / +equity interests</b>			
9.2	Consolidated net profit (loss) from ordinary activities after tax attributable to members (item 1.9) as a percentage of equity (similarly attributable) at the end of the period (item 4.33)	0.67%	(0.05)%

### Earnings per security (EPS)

		Current period	Previous corresponding period
10.1	Calculation of the following in accordance with AASB 1027: <i>Earnings per Share</i>		
	(a) Basic EPS	0.02 cps	(0.1) cps
	(b) Diluted EPS	0.02 cps	(0.1) cps
	(c) Weighted average number of ordinary shares outstanding during the period used in the calculation of the Basic EPS	65,659,794	65,659,794

### NTA backing

(see note 7)

		Current period	Previous corresponding period
11.1	Net tangible asset backing per *ordinary security	18.9 cps	20.1 cps

**Appendix 4B (rule 4.13(b))  
Half yearly/preliminary final report**

**Details of specific receipts/outlays, revenues/ expenses**

	Current period \$A'000	Previous corresponding period - \$A'000
12.1 Interest revenue included in determining item 1.5	116	107
12.2 Interest revenue included in item 12.1 but not yet received (if material)	-	-
12.3 Interest costs excluded from borrowing costs, capitalised in asset values	-	-
12.4 Outlays (except those arising from the +acquisition of an existing business) capitalised in intangibles (if material)	-	-
12.5 Depreciation and amortisation (excluding amortisation of intangibles)	130	108
12.6 Other specific relevant items not shown in Item 1.24 Carrying value of land & buildings sold during period	881	-

**Control gained over entities having material effect**

13.1 Name of entity (or group of entities)	N/A
13.2 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity (or group of entities) since the date in the current period on which control was +acquired	\$
13.3 Date from which such profit has been calculated	
13.4 Profit (loss) from ordinary activities and extraordinary items after tax of the entity (or group of entities) for the whole of the previous corresponding period	\$

**Appendix 4B (rule 4.13(b))**  
**Half yearly/preliminary final report**

### Loss of control of entities having material effect

14.1	Name of entity (or group of entities)	N/A
14.2	Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity (or group of entities) for the current period to the date of loss of control	\$
14.3	Date to which the profit (loss) in item 14.2 has been calculated	
14.4	Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity (or group of entities) while controlled during the whole of the previous corresponding period	\$
14.5	Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	\$

### Reports for industry and geographical segments

*Information on the industry and geographical segments of the entity must be reported for the current period in accordance with AASB 1005: Financial Reporting by Segments. Because of the different structures employed by entities, a pro forma is not provided. Segment information should be completed separately and attached to this report. However, the following is the presentation adopted in the Appendices to AASB 1005 and indicates which amounts should agree with items included elsewhere in this report.*

#### Segments - Refer attachment

Operating Revenue

Sales to customers outside the economic entity

Inter-segment sales

Unallocated revenue

Total revenue

Segment result

Unallocated expenses

Consolidated profit (loss) from ordinary activities before tax (equal to item 1.5)

Segment assets	)	<i>Comparative data for segment assets should be as at the end of the previous corresponding period.</i>
Unallocated assets	)	
Total assets (equal to item 4.17)	)	

### Dividends (in the case of a trust, distributions)

15.1	Date the dividend (distribution) is payable	N/A
15.2	+Record date to determine entitlements to the dividend (distribution) (ie, on the basis of registrable transfers received by 5.00 pm if +securities are not +CHES approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if +securities are +CHES approved)	N/A
15.3	If it is a final dividend, has it been declared? (Preliminary final report only)	N/A

**Appendix 4B (rule 4.13(b))  
Half yearly/preliminary final report**

**Amount per security**

		Amount per security	Franked amount per security at 36% tax	Amount per security of foreign source dividend
15.4	<i>(Preliminary final report only)</i> <b>Final dividend:</b> Current year	- ¢	- ¢	- ¢
15.5	Previous year	- ¢	- ¢	- ¢
15.6	<i>(Half yearly and preliminary final reports)</i> <b>Interim dividend:</b> Current year	- ¢	- ¢	- ¢
15.7	Previous year	- ¢	- ¢	- ¢

**Total dividend (distribution) per security (interim plus final)**

*(Preliminary final report only)*

	Current year	Previous year
15.8 *Ordinary securities	N/A ¢	N/A ¢
15.9 Preference *securities	N/A ¢	N/A ¢

**Half yearly report - interim dividend (distribution) on all securities or  
Preliminary final report - final dividend (distribution) on all securities**

	Current period \$A'000	Previous corresponding period - \$A'000
15.10 *Ordinary securities	-	-
15.11 Preference *securities	N/A	N/A
15.12 Other equity instruments	N/A	N/A
15.13 <b>Total</b>	-	-

The \*dividend or distribution plans shown below are in operation.

NIL
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The last date(s) for receipt of election notices for the \*dividend or distribution plans

N/A

Any other disclosures in relation to dividends (distributions)

NIL
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**Appendix 4B (rule 4.13(b))**  
**Half yearly/preliminary final report**

**Details of aggregate share of profits (losses) of associates and joint venture entities**

	Current period \$A'000	Previous corresponding period - \$A'000
16.1 Profit (loss) from ordinary activities before income tax	211	115
16.2 Income tax on ordinary activities	(64)	(36)
<b>16.3 Profit (loss) from ordinary activities after income tax</b>	<b>147</b>	<b>79</b>
16.4 Extraordinary items net of tax	-	-
<b>16.5 Net profit (loss)</b>	<b>147</b>	<b>79</b>
16.6 Outside +equity interests	-	-
<b>16.7 Net profit (loss) attributable to members</b>	<b>147</b>	<b>79</b>

**Material interests in entities which are not controlled entities**

*The economic entity has an interest (that is material to it) in the following entities. If the interest was acquired or disposed of during either the current or previous corresponding period, indicate date of acquisition ("from xx/xx/xx") or disposal ("to xx/xx/xx").*

<b>Name of entity</b>	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss) (item 1.9)	
	Current period	Previous corresponding period	Current period - \$A'000	Previous corresponding period - \$A'000
<b>17.1 Equity accounted associates and joint venture entities</b>				
M+H Power Systems Pty Limited	48	48	147	79
<b>17.2 Total</b>			<b>147</b>	<b>79</b>
<b>17.3 Other material interests</b>				
Chaos Group Limited	4.5	4.5	-	-
Unique World Group	9.8	8.5	-	-
IBA Health Limited	7.9	7.5	-	-
<b>17.4 Total</b>			-	-

**Appendix 4B (rule 4.13(b))**  
**Half yearly/preliminary final report**

### Issued and quoted securities at end of current period

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

Category of +securities	Total number	Number quoted	Issue price per security (see note 14) (cents)	Amount paid up per security (see note 14) (cents)
18.1 <b>Preference +securities</b> <i>(description)</i>	-	-	-	-
18.2 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks, redemptions	-	-	-	-
18.3 <b>+Ordinary securities</b>	65,659,794	65,659,794	-	-
18.4 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks	-	-	-	-
18.5 <b>+Convertible debt securities</b> <i>(description and conversion factor)</i>	-	-	-	-
18.6 Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
18.7 <b>Options</b> <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date (if any)</i>
18.8 Issued during current period	-	-	-	-
18.9 Exercised during current period	-	-	-	-
18.10 Expired during current period	-	-	-	-
18.11 <b>Debentures</b> <i>(totals only)</i>	-	-		
18.12 <b>Unsecured notes</b> <i>(totals only)</i>	-	-		

**Appendix 4B (rule 4.13(b))**  
**Half yearly/preliminary final report**

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**Comments by directors**

*Comments on the following matters are required by ASX or, in relation to the half yearly report, by AASB 1029: Half-Year Accounts and Consolidated Accounts. The comments do not take the place of the directors' report and statement (as required by the Corporations Law) and may be incorporated into the directors' report and statement. For both half yearly and preliminary final reports, if there are no comments in a section, state NIL. If there is insufficient space to comment, attach notes to this report.*

**Basis of accounts preparation**

*If this report is a half yearly report, it is a general purpose financial report prepared in accordance with the listing rules and AASB 1029: Half-Year Accounts and Consolidated Accounts. It should be read in conjunction with the last annual report and any announcements to the market made by the entity during the period. [Delete if preliminary final statement.]*

Material factors affecting the revenues and expenses of the economic entity for the current period

Refer attached commentary

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible)

Refer attached commentary

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

NIL

Changes in accounting policies since the last annual report are disclosed as follows.

*(Disclose changes in the half yearly report in accordance with AASB 1029: Half-Year Accounts and Consolidated Accounts. Disclose changes in the preliminary final report in accordance with AASB 1001: Accounting Policies-Disclosure.)*

NIL



**Appendix 4B (rule 4.13(b))**  
**Half yearly/preliminary final report**

## Additional disclosure for trusts

19.1 Number of units held by the management company or responsible entity or their related parties.

--

19.2 A statement of the fees and commissions payable to the management company or responsible entity.

Identify:

- initial service charges
- management fees
- other fees

--

## Annual meeting

*(Preliminary final report only)*

The annual meeting will be held as follows:

Place

N/A

Date

N/A

Time

N/A

Approximate date the annual report will be available

N/A

**Appendix 4B (rule 4.13(b))**  
**Half yearly/preliminary final report**

## Compliance statement

- 1 This report has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 12).

Identify other standards used

None

- 2 This report, and the +accounts upon which the report is based (if separate), use the same accounting policies.
- 3 This report does give a true and fair view of the matters disclosed (see note 2).
- 4 This report is based on +accounts to which one of the following applies.

*(Tick one)*

The +accounts have been audited.

The +accounts have been subject to review.

The +accounts are in the process of being audited or subject to review.

The +accounts have *not* yet been audited or reviewed.

- 5 If the audit report or review by the auditor is not attached, details of any qualifications are attached/will follow immediately they are available\* (*delete one*). (*Half yearly report only - the audit report or review by the auditor must be attached to this report if this report is to satisfy the requirements of the Corporations Law.*)
- 6 The entity has a formally constituted audit committee.

Sign here: .....

(Company Secretary)

Date: 13 March 2003

Print name: D.J. Henderson

**Appendix 4B (rule 4.13(b))**  
**Half yearly/preliminary final report**

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**TAG PACIFIC LIMITED**  
**AND ITS CONTROLLED ENTITIES**

**DIRECTORS' REPORT**

The Directors submit the financial report of Tag Pacific Limited and its controlled entities for the six months ended 31 December 2002. The Chairman's Report (pages 1 & 2) contains a review of the operations of the Tag Group during the financial period and the results of those operations and details of significant changes in the Tag Group. The Chairman's Report is incorporated into and forms part of this Directors' Report.

**DIRECTORS**

The Directors of the company are Messrs G.M. Cohen, R.T. Constable, R.B. Moran, R.D. Peterson, G.H. Weiss and P.H. Wise.

**ROUNDING OF AMOUNTS**

The Tag Group has applied relief available to it in ASIC Class Order 98/100 and accordingly certain amounts in the financial report and Directors' Report have been rounded to the nearest A\$1,000.

This declaration is made in accordance with a resolution of the board of directors and is signed for and on behalf of the directors by:

Director:



\_\_\_\_\_  
P.H. Wise

Dated this 13<sup>th</sup> day of March, 2003

**Appendix 4B (rule 4.13(b))**  
**Half yearly/preliminary final report**

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**TAG PACIFIC LIMITED**  
**AND ITS CONTROLLED ENTITIES**

**DIRECTORS' DECLARATION**

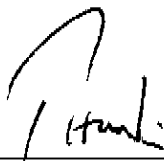
In the opinion of the directors of the company:

1. The financial information as set out in the form of Appendix 4B of the Australian Stock Exchange (ASX) Listing Rules complies with the Accounting Standards, Corporation Regulations and other mandatory professional reporting requirements and gives a true and fair view of the consolidated entity's financial position as at 31 December 2002 and of its performance, as represented by the results of its operations and cash flows for the half year ended on that date,
2. There are reasonable grounds to believe the company can meet its debts as and when they fall due and payable;
3. The company has entered into a deed of indemnity under which the company guarantees the debts of a wholly-owned subsidiary, Fibumi Pty Limited.

At the date of this statement, there are reasonable grounds to believe that the company will be able to meet any obligations or liabilities to which it is, or may become, subject by virtue of the deed.

This declaration is made in accordance with a resolution of the board of directors and is signed for and on behalf of the directors by:

Director: \_\_\_\_\_



P.H. Wise

Dated this 13<sup>th</sup> day of March, 2003

**Appendix 4B (rule 4.13(b))**  
**Half yearly/preliminary final report**

**TAG PACIFIC LIMITED**  
**SEGMENTAL INFORMATION**

	<u>REVENUE</u>		<u>RESULT</u>		<u>ASSETS</u>	
	Current Half Year A\$'000	Previous Corresponding Half Year A\$'000	Current Half Year A\$'000	Previous Corresponding Half Year A\$'000	Current Half Year A\$'000	Previous Corresponding Half Year A\$'000
<b>(a) Business Segment</b>						
Investment	271	194	271	194	9,460	10,047
Merchandising	15,548	12,792	284	266	12,625	11,617
Unallocated expenses	-	-	(575)	(467)	-	-
	<u>15,819</u>	<u>12,986</u>	<u>(20)</u>	<u>(7)</u>	<u>22,085</u>	<u>21,664</u>
<b>(b) Geographical Segment</b>						
Australia	8,539	7,594	409	341	17,393	15,618
New Zealand	7,280	5,392	146	119	4,692	6,046
Unallocated expenses	-	-	(575)	(467)	-	-
	<u>15,819</u>	<u>12,986</u>	<u>(20)</u>	<u>(7)</u>	<u>22,085</u>	<u>21,664</u>

+ See chapter 19 for defined terms.  
1/7/2000

Appendix 4B Page 19

**TAG PACIFIC LIMITED**  
**INCOME TAX**

Current Period - \$A'000

Prima facie income tax benefit on (loss) from ordinary activities before tax	6
Less tax effect of:	
Non deductible amortisation	(5)
Difference in overseas tax rates	(4)
Non-allowable items	(4)
Add tax effect of:	
Capital profits not subject to income tax	67
Share of net profits of associates	<u>44</u>
Income tax benefit on ordinary activities	<u>104</u>

+ See chapter 19 for defined terms.  
1/7/2000



Chartered Accountants  
& Business Advisers

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Professional Standards Act  
1994 (NSW).

## Independent Review Report

To The Members of Tag Pacific Limited

### Scope

We have reviewed the financial report of Tag Pacific Limited and controlled entities in the form of Appendix 4B of the Australian Stock Exchange (ASX) Listing Rules and accompanying notes and the Directors' Declaration for the half-year ended 31 December 2002. The financial report includes the consolidated financial report of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year. The Company's directors are responsible for the financial report. We have conducted an independent review of this financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Australian Accounting Standard AASB 1029: Interim Financial Reporting and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the company to lodge the financial report with the ASX.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.

### Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Tag Pacific Limited and controlled entities is not in accordance with:

- (a) The Corporations Act 2001, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2002 and of its performance for the half-year ended on that date, and
  - (ii) complying with Australian Accounting Standard AASB 1029: Interim Financial Reporting and the Corporation Regulations; and
- (b) Other mandatory professional reporting requirements in Australia.

PKF  
Chartered Accountants

G. HARRIS  
Partner  
Dated: 12 March 2003

A New South Wales Partnership