



ANNOUNCEMENT

TO: Australian Stock Exchange
New Zealand Stock Exchange

FROM: Tag Pacific Limited

DATE: 26 February 2004

PAGES: 13 inclusive

TAG PACIFIC LIMITED
HALF YEAR ENDED 31 DECEMBER 2003

Tag Pacific Limited has reported an after tax profit of A\$202,000 for the half year ended 31 December 2003, a significant improvement on the result for the same period in the previous year.

Tag Group revenue of A\$24.609m for the half year is up 57% on the revenue for the previous comparative period. The increased revenue is primarily attributable to the recent consolidation of M+H Power Systems Pty Limited.

A detailed review of the trading of each of the operating businesses in which the Tag Group is invested is beyond the scope of this interim report. It should be noted, however, that M+H Power Systems Pty Limited has produced strong results; and that Potter Interior Systems Limited, which has also enjoyed buoyant sales, is expecting profit to improve in the second half of the financial year. Comprador Pacific Pty Limited continues to disappoint and further action has been taken to improve results, including a cooperative alliance between Potter and Comprador management. This is expected to lead to greater rationalisation, diversified product and increased scope for these two companies.

Details of the affairs of IBA Health Limited in which the Tag Group holds a strategic interest are a matter of public record (ASX code: IBA).

The Unique World Group continues to impress and is expected to soon capitalise on its current software development program.

The last six months have seen a significant increase in the number of projects and opportunities considered by the Tag Group. The Tag Group aims to realise and extract value from its existing assets as well as explore new opportunities outside the areas in which it is currently invested. As stated in the most recent annual report, the company has both the financial and human resources to perform well in excess of the current level.

For and on behalf of the Board
Tag Pacific Limited

A handwritten signature in black ink, appearing to read 'Peter Wise'.

Peter Wise
Chairman

Rules 4.1, 4.3

Appendix 4D

Half yearly report

Introduced 1/1/2003.

Name of Entity	TAG PACIFIC LIMITED
ACN	009 485 625
Financial Period Ended	31 DECEMBER 2003
Previous Corresponding Reporting Period	31 DECEMBER 2002

Results for Announcement to the Market

	\$'000	Percentage increase / (decrease) over previous corresponding period
Revenue from ordinary activities	24,609	57%
Profit / (loss) from ordinary activities after tax attributable to members	202	1,162%
Net profit / (loss) for the period attributable to members	202	1,162%
Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Previous corresponding period	Nil	Nil
Record date for determining entitlements to the dividends (if any)	N/A	
Brief explanation of any of the figures reported above necessary to enable the figures to be understood:		
Refer Attachment 1.		

The half-yearly report is to be read in conjunction with the most recent annual financial report.

Dividends

Date the dividend is payable	N/A
Record date to determine entitlement to the dividend	N/A
Amount per security	N/A
Total dividend	N/A
Amount per security of foreign sourced dividend or distribution	Nil
Details of any dividend reinvestment plans in operation	N/A
The last date for receipt of an election notice for participation in any dividend reinvestment plans	N/A

NTA Backing

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security	19.0¢	18.9¢

Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	N/A
Date control gained	
Consolidated profit / (loss) from ordinary activities since the date in the current period on which control was acquired	
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	

Loss of Control Over Entities Having Material Effect

Name of entity (or group of entities)	N/A
Date control lost	
Consolidated profit / (loss) from ordinary activities for the current period to the date of loss of control	
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) while controlled for the whole of the previous corresponding period	

Details of Associates and Joint Venture Entities


Name of Entity	Percentage Held (%)		Share of Net Profit (\$000)	
	Current Period	Previous Period	Current Period	Previous Period
M+H Power Systems Pty Limited <i>* (Now consolidated at 55.7%)</i>	*	49	-	147
Aggregate Share of Net Profits				147

Audit/Review Status

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	
If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:			
N/A			
If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:			
N/A			

Attachments Forming Part of Appendix 4D

Attachment #	Details
1	ASX Announcement
2	Interim Financial Report

Signed By the Chairman	
Print Name	Peter Wise
Date	26 February 2004

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity for the half-year ended 31 December 2003.

Directors

The names of directors who held office during or since the end of the half-year are:

Messrs PH Wise, GM Cohen, RT Constable, RB Moran, RD Peterson and Dr GH Weiss

Review of Operations

Refer attached Chairman's report.

Rounding of Amounts

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

The report is signed in accordance with a resolution of the Board of Directors.



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Peter Wise
Chairman

Dated: 26 February 2004

TAG PACIFIC LIMITED AND CONTROLLED ENTITIES
Statement of Financial Performance
For the half year ended 31 December 2003

	Note	Consolidated	
		31 Dec 2003 \$'000	31 Dec 2002 \$'000
Revenue from ordinary activities	2	24,609	15,672
Expenses from ordinary activities, excluding borrowing cost expenses	3	(23,837)	(15,717)
Borrowing cost expenses		(139)	(122)
Share of net profits (losses) of associates and joint venture entities		-	147
Profit (loss) from ordinary activities before income tax expense		633	(20)
Income tax expense relating to ordinary activities		(217)	104
Profit from ordinary activities after income tax expense		416	84
Net (profit)/loss attributable to outside equity interests		(214)	(68)
Net profit for the period attributable to members		202	16
Basic earnings per share (cents per share)		0.31c	0.02c
Diluted earnings per share (cents per share)		0.31c	0.02c

The Statement of Financial Performance is to be read in conjunction with the attached notes.

TAG PACIFIC LIMITED AND CONTROLLED ENTITIES
Statement of Financial Position
As at 31 December 2003

	Note	Consolidated	
		31 Dec 2003 \$'000	30 June 2003 \$'000
CURRENT ASSETS			
Cash		5,633	5,112
Receivables		8,726	5,041
Inventories		8,350	6,287
Tax assets		640	588
TOTAL CURRENT ASSETS		23,349	17,028
NON-CURRENT ASSETS			
Other financial assets		2,721	2,724
Investments (equity accounted)		-	2,367
Property, plant and equipment		1,277	899
Intangible assets		154	25
TOTAL NON-CURRENT ASSETS		4,152	6,015
TOTAL ASSETS		27,501	23,043
CURRENT LIABILITIES			
Payables		7,595	6,598
Interest bearing liabilities		2,446	1,828
Provisions		762	249
TOTAL CURRENT LIABILITIES		10,803	8,675
NON-CURRENT LIABILITIES			
Interest bearing liabilities		994	919
Provisions		20	19
TOTAL NON-CURRENT LIABILITIES		1,014	938
TOTAL LIABILITIES		11,817	9,613
NET ASSETS		15,684	13,430
EQUITY			
Contributed equity		15,443	15,443
Reserves		706	718
Accumulated losses		(3,604)	(3,806)
EQUITY ATTRIBUTABLE TO MEMBERS OF THE PARENT ENTITY		12,545	12,355
Outside equity interests in controlled entities		3,139	1,075
TOTAL EQUITY		15,684	13,430

The Statement of Financial Position is to be read in conjunction with the attached notes.

TAG PACIFIC LIMITED AND CONTROLLED ENTITIES
Statement of Cash Flows
For the half year ended 31 December 2003

	Note	Consolidated	
		31 Dec 2003 \$'000	31 Dec 2002 \$'000
Cash flows from operating activities			
Receipts from customers		26,667	16,562
Payments to suppliers and employees		(27,011)	(16,602)
Dividends received from associates		-	28
Interest received		138	116
Interest and other costs of finance paid		(138)	(122)
Income taxes paid		(172)	-
Net operating cash flows		(516)	(18)
Cash flows from investing activities			
Payments for purchase of property, plant and equipment		(337)	(197)
Payments for investments		(58)	-
Cash acquired through gaining control of a subsidiary		1,013	-
Proceeds from sale of property, plant and equipment		-	12
Loans repaid by other entities		-	33
Net investing cash flows		618	(152)
Cash flows from financing activities			
Proceed from loans from other entities		223	79
Repayment of interest bearing liabilities		(140)	(206)
Net financing cash flows		83	(127)
Net increase (decrease) in cash		185	(297)
Cash at beginning of period		5,112	4,926
Exchange rate adjustments		(2)	19
Cash at end of period		5,295	4,648

The Statement of Cash Flows is to be read in conjunction with the attached notes.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 1. Basis of preparation

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB 1029: Interim Financial Reporting, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2003 and any public announcements made by Tag Pacific Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the entities in the economic entity and are consistent with those applied in the 30 June 2003 annual report.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

	Consolidated	
	31 Dec 2003	31 Dec 2002
	\$'000	\$'000

NOTE 2: REVENUES FROM ORDINARY ACTIVITIES

Revenues from ordinary activities is comprised as follow:

Revenue from sales	24,393	14,355
Interest revenue	138	116
Other relevant revenue	78	14
Non operating activities		
Proceeds on disposal of property, plant & equipment	-	1,187
Total revenues from ordinary activities	24,609	15,672

NOTE 3: EXPENSES FROM ORDINARY ACTIVITIES

Expenses from ordinary activities excluding borrowing costs is comprised as follows:

Cost of goods sold	16,666	10,930
Employee benefits expenses	4,031	1,953
Depreciation and amortisation excluding amortisation of intangibles	153	145
Occupancy expenses	619	332
Other expenses from ordinary activities	2,368	1,476
Carrying value of land & building sold during the period	-	881
Total expenses from ordinary activities excluding borrowing cost expense	23,837	15,717

NOTE 4: SEGMENTAL INFORMATION

	REVENUE		RESULT	
	Current Half Year	Previous Corresponding Half Year	Current Half Year	Previous Corresponding Half Year
	A\$'000	A\$'000	A\$'000	A\$'000
(a) Industrial Segment				
Investment	150	271	150	271
Merchandising *	24,459	15,548	967	284
Unallocated expenses	-	-	(484)	(575)
Total	24,609	15,819	633	(20)
(b) Geographic Segment				
Australia	15,049	8,539	725	409
New Zealand	9,560	7,280	392	146
Unallocated expenses	-	-	(484)	(575)
Total	24,609	15,819	633	(20)

* Marketing and distribution of componentry for commercial interiors and for power electronics and battery products.

NOTE 5: CONTINGENT LIABILITIES

There are no material changes from the contingent liabilities reported in the 2003 annual report.

NOTE 6: SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operation of the economic entity, the results of its operation, or the state of affairs of the economic entity in future financial periods.

NOTE 7: CONTROLLED ENTITIES

On 14 July 2003 the Tag Group gained a further 6.6% of M+H Power Systems Pty Limited giving the group a 55.7% holding. M+H Power Systems Pty Limited has been consolidated in the Tag Group's result from 14 July 2003.

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The accompanying interim financial statements and notes, as set out on pages 5 to 10:
 - (a) comply with Accounting Standard AASB 1029: Interim Financial Reporting and the Corporations Regulations; and
 - (b) give a true and fair view of the economic entity's financial position as at 31 December 2003 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



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Peter Wise
Chairman

Date: 26 February 2004

**INDEPENDENT REVIEW REPORT
To the Members of Tag Pacific Limited**

Scope

We have reviewed the interim financial report of Tag Pacific Limited for the half-year ended 31 December 2003 as set out on pages 6 to 11. The interim financial report includes the consolidated financial statements of the consolidated entity comprising the disclosing entity and the entities it controlled at the end of the half-year or from time to time during the half-year. The directors of Tag Pacific Limited are responsible for the interim financial report. We have performed an independent review of the interim 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 interim financial report is not presented fairly in accordance with 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 disclosing entity to lodge the interim financial report with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of the disclosing entity's 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.

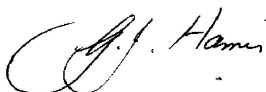
Statement

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 interim financial report of Tag Pacific Limited 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 2003 and of its performance for the half-year ended on that date; and
 - ii) complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.



PKF
Chartered Accountants



Geoff Harris
Partner
Sydney, 26th February 2004