A S X   A N N O U N C E M E N T

ANNUAL GENERAL MEETING 2007
CHAIRMAN'S ADDRESS TO SHAREHOLDERS

Tag Pacific Limited (ASX: TAG, NZX: TPC) – 9 November 2007

Before opening the meeting up for any questions or discussion, I would like to comment briefly about the year behind us and say how pleased we were with the result from a number of points of view. Most of our investments performed better than in previous years; and we made advances on many fronts.

As you know, we have shown an increase in after tax profit; our earnings per share have increased noticeably; and our equity has also increased very nicely. These have all been positive trends and overall the 2007 financial year was a good one.

It's pleasing to report today that this trend is continuing into the current financial year with almost all divisions within our operating investments improving their position. In most areas there has either been a gain in terms of revenue; or gross margins; or both. At the same time, there has been rigid control of expenditure and moves to strengthen control of assets and liabilities, so we expect further improvements in the results of existing investments as we move forward.

Of course, because of its nature as a listed company, our investment in IBA Health falls into a different category and has been subject to market volatility which impacts our profit and loss statement daily. With the cementing of the major iSoft acquisition just last week, there is a sense that IBA is destined for very interesting, positive and dynamic days ahead. We are prepared to manage the short term vagaries of the market in anticipation of more fruitful future rewards.

I would also like to comment on where we are headed in some of our investment sectors, beginning with the Interior Building Products sector.

In investment terms, less than 15% of our net assets are tied up in this sector, yet it accounts for around 33% of the gross assets on our balance sheet and over 50% of group revenue. This is the sector which has in recent years had issues and the one that utilises the largest portion of external group debt. It is pleasing to note that both of our investments in this sector, including their various divisions, have made a good start to the financial year and this is particularly the case in New Zealand.

Management is actively seeking to expand the product range and new supply channels are being opened up primarily from Asia as I speak. There is also an increasing focus on incremental growth from bolt-on activities; whilst at the same time the quest for larger complementary activities which can sit alongside continues. We aspire to transform our involvement in this sector into something much larger; and into a more specialised and identifiable niche industry operation.

Just over 20% of our net assets and around 30% of our gross assets are employed in the Power Products sector. In recent times the term Renewable Energy has been added to its classification because of the strong push that is emerging in this area. Last year's revenue from this sector was about 40% of the total group revenue, but renewable energy was only a fraction of that total. So there is a long way to go and the potential is huge, particularly in solar power and renewable energy in general, where supply arrangements are already in place.

As we know, words like "solar power" and "renewables" have become commonplace with the words being sometimes used loosely. The test will be management's ability to chart a course through what is a complex field by not just climbing on the current bandwagon, but by focussing on defined areas where value can be added and where profitable outcomes can be delivered. Considerable management energy and thought is being directed into this area because we have a unique market position that should enable us to leverage our capabilities in power generation and stored energy solutions.

The prospects are also excellent in the defence area, where we already have a strong presence and a major contract under our belt; and also in asset management where plans are underway to revitalise our involvement. Once again, in the Power Sector, as in others, we are pushing to expand both by acquisition and by other means into allied areas. In financial terms, there is good capacity to do this because debt within this sector is abnormally low.

I have already addressed our long standing involvement in the IBA Health Group, but our other technology involvement in the Unique World Group is also worthy of mention because it is in a segment of the IT industry that is undergoing a major growth spurt; and where the resident expertise and skills are very much in demand. As the largest shareholder at 38%, this investment is only now starting to deliver real rewards to us and we are confident that the course it is steering is leading to potentially enormous opportunities and growth in profitability. The sector is an area which appeals to us in terms of growth prospects and we will seek to take advantage of our position.

Finally, what I would like to emphasise is that at the top level, where we have visibility across the full spectrum of current group activities and have a united view on future group aspirations, the number of new opportunities and the amount of new project work that is being undertaken is at an all time high. Given our strong base and resolve to move to the next level, the future looks very positive.

I would now like open the meeting up for discussion and any questions.

ENDS

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