



ASX ANNOUNCEMENT

TAG FY2012 PROFITS RISE IN TRANSFORMATIVE YEAR

- **NPAT \$4.3 million, up 17% on FY2011**
- **Earnings per share 6.0 cents, up 18% on FY2011**
- **Revenue \$72.5 million, down from \$101.1 million**
- **Cash balance \$17.8 million at year end**
- **Fully franked dividends of 1.25 cents per share paid during the year**
- **Integration plan to focus Tag on power assets, including buy out of MPower minorities**
- **Additional 5.0 cents per share dividend to be paid and free loyalty options to be issued after MPower integration completed**

Sydney – 30 August 2012 – Tag Pacific Limited (ASX: TAG) today announced a net profit after tax of \$4.3 million for the year ended 30 June 2012, compared with \$3.6 million previously after advancing its new focused investment strategy. The result equates to earnings per share of 6.0 cents, up from 5.1 cents. The profit reflected the impact of non-core asset sales and a dip from previous record levels of power activity. Revenue was \$72.5 million.

Tag is undergoing a transformation which commenced in the last year or so. It has sold its interior building products businesses, its health information technology investment iSoft and its interest in technology consulting so it can focus solely on developing its power investments. The asset sales helped to substantially strengthen the company's balance sheet, and left cash reserves at year's end exceeding \$17 million.

The company boosted fully franked dividends during the year. A payment of 0.75 cents per share was paid in October 2011 and a special dividend of 0.5 cents per share was made in March 2012. A further 5.0 cent per share fully franked dividend, comprising a 1.0 cent final dividend in relation to 2012 and a 4.0 cent special dividend, will be paid this October, provided all conditions to the MPower Integration Proposal have been satisfied or waived.



Outlook and Comment

Tag intends to remain a strategic investment company, but to focus its attention on investments within the power industry where it has considerable expertise. This reflects its success over many years with MPower, which designs and constructs specialised power systems and distributes power products, including as a leader in the renewable energy field.

Tag Chairman Peter Wise said “Despite the challenges we foresee in the year ahead, there is also boundless opportunity. We are very confident of our capacity to drive the Group forward, both organically and by other means. There is no other company on the Australasian landscape that can match the breadth, depth and track record that an integrated Tag and MPower can offer in our chosen field.

“We intend to build on the very solid base that MPower gives us by making strategic investments in a disciplined manner. MPower has developed a reputation for reliability, and has clients that include global energy companies, leading Australian corporations and government enterprises. Its financial track record is one of ongoing profitability and growth, led by highly capable people.

“I expect that Tag’s ability to pay fully franked dividends will be enhanced thanks to the integration of MPower,” Mr Wise said.

In order to drive the transformation, important changes have been made to senior management. A new Chief Executive Officer and Managing Director, Nathan Wise, has recently been appointed after working for nine years in the role of Head of Corporate Development during which time he identified and executed strategic acquisitions including the current MPower integration process and other moves in the power industry.

A strong measure of Tag’s performance is that in the 10 year period to June 2012, equity attributable to shareholders rose from \$12.3 million to \$27.0 million. After adjusting for transactions with shareholders (predominantly shares issued, shares bought back and dividends paid), the total shareholder value added during this period amounted to approximately \$17.2 million.



Results Highlights

	2012	2011
Revenue ¹	\$72.5 million	\$101.1 million
EBITDA ²	\$6.5 million	\$8.2 million
Profit after tax ³	\$4.3 million	\$3.6 million
Earnings per share	6.0 cents	5.1 cents
NTA per share	35.4 cents	30.6 cents
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Total Group cash	\$17.8 million	\$11.3 million
Total Group equity	\$36.9 million	\$32.4 million

1. From continuing operating activities

2. From continuing operating activities excluding fair value movements and before non-controlling interests

3. After non-controlling interests

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