

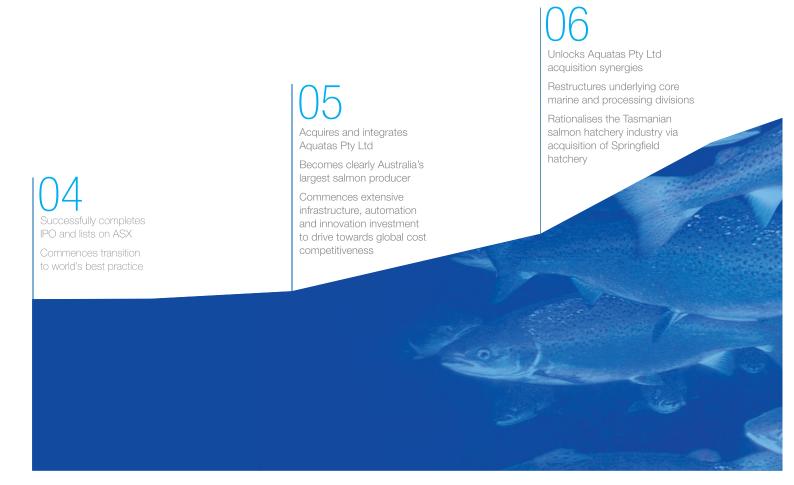




FY2009 The Year's Milestones

- Continued to implement and achieve cost reduction and throughput efficiencies Company-wide, (whilst absorbing feed cost and marine infrastructure depreciation increases):
 - o Automatic feeders now covering all fish stock;
 - o Improved fish husbandry practices;
 - o Increased fish size;
 - o Increased smolt numbers to sea;
 - o Increased scale;
 - o Improved feed conversion ratios;
 - o Improved survival rates;
 - Significantly improved value adding processing throughput and efficiencies; and
 - o Improved processing automation.
- Commenced initial stocking of our state-of-the-art Huon River recirculation salmon hatchery.
- Continued to focus on and grow our retail channel sales base, underpinning strong domestic sales momentum.
- Continued to pursue growth opportunities, accelerating capital investment premised on expansion / biomass growth, efficiency and risk mitigation to strengthen our Strategic Plan FY2015 delivery platform.
- Continued to strengthen our Leadership Group to be global best practice from an operational, risk management, sustainability and quality perspective.

- These achievements have allowed Tassal to:
 - Deliver an impressive turnover and profit performance uplift on the prior year;
 - o Generate increasing operational cash flow;
 - Utilise cash flow to underpin planned fish inventory growth and business cost improvement;
 - Accelerate our capital investment program premised on growth, efficiency and risk mitigation, targeting projects that will generate an attractive return on investment to underpin our Strategic Plan FY2015;
 - Continue to invest in planned research & development with the focus on accelerating fish husbandry and selective breeding program initiatives;
 - o Strengthen our conservatively geared Balance Sheet allowing Tassal to sustainably pursue both organic and acquisitive growth;
 - o Continue to return an increasing dividend profile to shareholders; and
 - Fundamentally position the Company to sustainably continue along our growth strategy from a capital, financial and operational perspective.



FY2010 Priority Initiatives

1. Overarching Long Term Goal Statement

To position Tassal to be globally cost competitive in aquaculture production. Domestically, Tassal will dominate the salmon market by building a strong Tassal brand, increasing per capita consumption, leading innovation and being responsive to consumer and customer needs.

2. 2010 Primary Focus

FY2010 will see the finalisation of the key infrastructure investments that will underwrite our capital, financial and operational objectives to deliver on our long term goals.

With a strong Balance Sheet in place, Tassal is well positioned to continue to pursue the value enhancing growth underpinning its Strategic Plan FY2015.

Hatchery Initiatives - To sustainably deliver significant improvement in smolt size and an accelerated smolt input regime following construction finalisation of Tassal's state-of-the-art freshwater Huon River hatchery.

Hatchery completion - delivers larger and earlier introduced smolt, underwriting fish size and survivability targets

Marine Initiatives – To further improve fish size and survivability through continued and innovative investment in marine infrastructure and selective breeding technology, on-site harvesting technology and delivering ongoing fish husbandry and feed management improvement.

Increased fish size continues - the fundamental profit driver

Cost reduction and throughput

Strategic Plan FY2015 platform

building blocks take shape

efficiency delivery gathers momentum

Processing Initiatives - To maximise the benefits from processing automation, innovation and capacity infrastructure investments leveraging off improved fish harvest size.

Achieving global best practice, with further processing innovation and efficiencies still to flow

Risk Management Initiatives – To continue to sustainably de-risk the business and cascade risk mitigation and management accountability to and across all levels of the business.

Enhanced Company-wide risk management drives business sustainability

share placement

7. Sustainability Initiatives - To continue to proactively and strategically embed an environmental, social and corporate governance culture throughout the business in order to manage corporate reputation, support business growth and increase profitability.

Tassal - the leaders in aquaculture sustainability

8. Branding Initiatives - To build Tassal brand awareness and equity, to strengthen product positioning, deliver innovative products to our customer base and build on existing customer loyalty.

Tassal – the leaders in salmon innovation

9. Marketing Initiatives - To lead growth in salmon per capita consumption through new product development, innovation and strengthening our retail and wholesale relationship base.

Tassal – quick and healthy Tasmanian salmon

10. Revenue Initiatives - To hamess branding and marketing initiatives momentum to underpin strong domestic demand and sales growth, whilst proactively seeking out profitable Asia - Pacific market alternatives as they arise.

Driving increasing salmon consumption in a growing salmon market



02 Contents

Company Directory	3
Chairman's and Chief Executive Officer's Report	4 – 9
Corporate Governance Statement	10 – 21
Directors' Report	22 – 35
Auditor's Independence Declaration	36
Income Statement	38
Balance Sheet	39
Statement of Changes in Equity	40 – 41
Cash Flow Statement	42
Notes to the Financial Statements	43 – 86
Directors' Declaration	87
Independent Auditor's Report	88
Additional Stock Exchange Information	89 – 90

Company Directory

Tassal Group Limited and Controlled Entities

Directors

Allan McCallum, Dip.Ag Science, FAICD (Chairman) David Groves, B.Com, M.Com, CA, FAICD Jill Monk, B.Arts, B.Law, FAICD, FAII Roderick Roberts, B.Ec, MBA, FAICD John Watson, AM, MAICD Mark Ryan, B.Com, CA, MAICD (Managing Director)

Chief Executive Officer

Mark Ryan B.Com, CA, MAICD

Company Secretary

Nicholas Burrows B.Com, FCIS, CA, F Fin, CFTP (Snr), MAICD, FTIA

Registered Office*

2 Salamanca Square Hobart Tasmania 7000

Telephone (03) 6244 9099
Facsimile (03) 6244 9002
E-mail tassal@tassal.com.au
Website www.tassal.com.au
ABN 15 106 067 270
*Also principal administration office.

Auditors

Deloitte Touche Tohmatsu Level 9 22 Elizabeth Street Hobart Tasmania 7000

Bankers

Westpac Banking Corporation Level 9 360 Collins Street Melbourne Victoria 3000

Solicitors

Gadens Lawyers Level 25 Bourke Place 600 Bourke Street Melbourne Victoria 3000

Page Seager 162 Macquarie Street Hobart Tasmania 7000

Stock Exchange Listing

The Company is listed on the Australian Securities Exchange.

The Home Exchange is Melbourne, Victoria.

ASX Code: TGR

Share Registry

Register of Securities is held at the following address:

Computershare Investor Services Pty Limited Yarra Falls 452 Johnston Street Abhotsford

Abbotsford Victoria 3067

Enquiries (within Australia) 1300 850 505
Enquiries (outside Australia) 61 3 9415 4000
Investor Enquiries Facsimile 61 3 9473 2555
Website www.computershare.com

Executive Directory

Mark Ryan Managing Director and Chief Executive Officer

Mark Asman Chief Operating Officer

Nicholas Burrows Company Secretary and Chief Financial Officer

Dale Williams Chief of Sales and Marketing

04

Chairman's and Chief Executive Officer's Report

Tassal Group Limited and Controlled Entities

Results and Performance Overview

Tassal Group Limited ("Tassal") has delivered another excellent performance for the Year Ended 30 June 2009 ("FY2009"). Despite the magnitude of the Global Financial Crisis, Tassal has continued to perform in a strong and sustainable manner with salmon sales being resilient.

The key financial numbers and ratios for FY2009 were:

- reported revenue was \$357.781 million, an increase of 24.10% on the 30 June 2008 ("FY2008") result of \$288.311 million;
- reported net profit after tax ("NPAT") was \$30.084 million, an increase of 46.99% on FY2008 results of \$20.467 million;
- gearing ratio (net debt to equity) of 33.17%, which remains within Tassal's target range of 30% to 35%;
- return on equity (NPAT to net assets) of 14.24%; and
- return on assets (earnings before interest and tax to total assets) of 11.84%.

Key Financial Performance Indicators

The table below reports the key consolidated financial performance indicators for the financial year to 30 June 2009 and 30 June 2008:

	Financial Year Ended 30 June 09	Financial Year Ended 30 June 08		
	Post AASB 141	Post AASB 141	Period Movement up/(down)	Period Movement up/(down)
	\$'000	\$'000	\$'000	%
Revenue (from all sources)	357,781	288,311	69,470	24.10
EBITDA	49,928	38,533	11,395	29.57
EBIT	41,899	31,157	10,742	34.48
Profit before income tax expense	39,112	27,043	12,069	44.63
Income tax expense	(9,028)	(6,576)	(2,452)	37.29
Net profit after income tax expense	30,084	20,467	9,617	46.99
Basic earning per share (cents)	0.2220	0.1646	0.0574	34.84
Diluted earning per share (cents)	0.2209	0.1639	0.0571	34.84
Gearing Ratio	33.17%	17.24%	15.94%	92.46
Interest Cover (x)	15.03	7.57	7.46	98.48
NTA (\$'000)	172,211	151,119	21,092	13.96
NTA per Share	1.26	1.12	0.14	12.41
ROE (NPAT)	14.24%	10.82%	3.42%	31.57
ROA (EBIT)	11.84%	11.13%	0.71%	6.35

Definitions

Interest Cover (x): EBIT/finance costs (Note: exclusive of borrowing costs capitalised to biological assets pursuant to AASB 123 Borrowing Costs)
NTA (\$'000): Total equity less goodwill and other intangible assets
NTA per Share: (Total equity less goodwill and other intangible assets) / Shares on issue

ROE (NPAT): Profit after tax/Total equity
ROA (EBIT): EBIT/Total assets
EPS: Profit after tax/weighted average no. shares on issue

The Board has declared an unfranked final dividend of 4.00 cents per share which, together with an interim dividend of 4.00 cents per share, brings the total dividend for FY2009 to 8.00 cents per share – an increase of 23.08% over the previous period (FY2008: 6.50 cents per share).

The Company's Dividend Re-investment Plan will again be in place to support continued investment in fish growth and hatchery, marine and processing infrastructure. Tassal's focus on infrastructure investment in financial year 2010 is centred on expansion/biomass growth, efficiency and risk mitigation.

Overview

The results for the financial year were driven by strong underlying growth in the demand for salmon in the domestic market (i.e. volume growth of 31.66% and revenue growth of 29.92%) – combined with a targeted marketing spend, continued focus on cost reduction initiatives and an accelerated capital investment program (particularly with respect to efficiency related capital items). Tassal absorbed significant feed cost and marine infrastructure deprecation increases during the financial year, the latter reflecting the accelerated capital expenditure program.



Tassal remains committed to its strategic plan to financial year 2015 ("Strategic Plan FY2015"). In line with this Plan, Tassal made a number of important business decisions in FY2009:

- A strategic decision to sacrifice short-term profit for longer term gain by leaving fish in the water longer to achieve optimal weight which will deliver sales, cost, fish growth and NPAT benefits in FY2010 and beyond.
- A focussed strategy of investing in and growing the retail channel has underpinned strong domestic sales growth, however the terms of trade and use of promotions/rebates impacted overall contribution margin and subsequently NPAT.
- A strategy of continuing to incrementally invest in marketing to sustain underlying domestic market growth.

Tassal's Strategic Plan FY2015 incorporates a drive for global best practice in both aquaculture production and processing, together with achieving premium returns from its sales and marketing initiatives.

Against this background, it is important to note that:

- Salmon farming is a capital intensive industry, both from
 a capital expenditure and working capital perspective.
 Salmon farming is a rolling process and in a steady state of
 production there will, at the same time, be three Year Class
 generations at different points in their lifecycle, together with
 a minimum level of capital expenditure required. With Tassal
 in a growth mode, funding is required for not only the growth
 of the current production of fish and replacement capital
 expenditure, but also to fund expansionary fish production
 and capital expenditure.
- Given the production lifecycle of fish, there is a fundamental gap in the capital expenditure, working capital and profit cycles. To understand Tassal's financial results and allow financial comparison and measurement with global aquaculture companies requires adoption and understanding of accounting standard AASB 141 – Agriculture.

Tassal is an agricultural business with agricultural risk. Tassal's risk mitigation strategies are robust - there are many risks and challenges that Tassal must balance in an operational and financial context.

Financial Review

The Board regards the financial performance for the 2009 financial year as a reflection of the effort and innovation across the business. It remains satisfied that the continued successful implementation of operating improvements since listing will ensure future profitable growth and improved shareholder returns. The results for the 2009 financial year are summarised as follows:

Sales Summary

- Total sales revenue increased by 22.09% to \$200.592 million, underpinned by solid revenue growth in the domestic sales market to \$191.069 million (29.92% increase).
 This increase was underpinned by:
 - o strong growth in the retail/supermarket business with revenue growth of 41.26% including Superior Gold brand sales 16.09% without the Superior Gold brand sales. Superior Gold was acquired in February 2008, with FY2009 being the first full year of sales; and
 - wholesale sales revenue growth of 19.56%, which needs to be balanced with the understanding that FY2009 was the first full year of trading with Petuna Pty Limited (Tassal is a contract grower for Petuna Pty Limited).
- Total sales volume increased by 21.25% to 17,085 hog equivalent tonnes, underpinned by strong growth in the domestic sales market of 31.66%. This increase was underpinned by:
 - o strong growth in our retail/supermarket business with volume growth of 34.51% including Superior Gold brand sales 15.44% without the Superior Gold brand sales; and
 - wholesale sales volume growth of 30.96%, which again needs to be balanced with the understanding that FY2009 was the first full year of trading with Petuna Pty Limited.

Earnings Summary

- EBITDA increased by 29.57% and EBIT by 34.48%, underpinned by strong domestic sales market growth and continued focus on the reduction of the cost of growing and processing.
- Depreciation and amortisation of \$8.029 million was incurred for FY2009, with \$7.376 million for FY2008.
 The increase was in line with Tassal's continued and planned capital expenditure investment.
- Borrowing costs were \$2.787 million, an improvement of \$1.327 million over FY2008 of \$4.114 million. (Improvement of \$0.345 million exclusive of borrowing costs capitalised to biological assets pursuant to AASB 123 Borrowing Costs).
- Effective tax rate was 23.08% [FY2008: 24.32%], the lower corporate rate being due to the increased spend in research and development and as a result of eligible capital expenditure with respect to the investment allowance.

Chairman's and Chief Executive Officer's Report (cont.)

Tassal Group Limited and Controlled Entities

Balance Sheet

Tassal Group has a strong Balance Sheet and internal financial disciplines.

Set out below is a summary of the key Balance Sheet items:

- Trade and other receivables increased by \$4.199 million to \$23.590 million. To put this into perspective:
 - This represents average debtor days of 59 days [FY 2008: 40 days]. Average debtor days were 61 days for the period to 31 December 2008.
 - The increase in debtor days is underpinned by the fact that Tassal's trade with supermarkets (primarily Coles and Woolworths) increased so that retail sales as a percentage of total domestic sales is now 55.90% [FY2008: 49.65%].
 - o Retail debtors, together with Petuna, all have longer agreed payment terms on average than the balance of our customer base – and given the relationship with these debtors (both in terms of volume and tenure) the Board believe that both the terms of trade and the increase in trade receivables are appropriate.
 - o Of the \$4.199 million increase, these debtors contributed \$2.092 million of the increase.
 - It should be noted that Tassal insures all material sales to domestic customers other than Coles and Woolworths.
- Inventories increased by \$11.072 million (29.73%) to \$48.311 million. Stock holdings are in line with expectations at 3,115 hog tonnes, with value added product tonnes at 2,181 hog tonnes which represents 12 weeks stock on hand. The frozen hog volume of 934 hog tonnes will be converted into smoked salmon products by 30 September 2009. Tassal continues to use frozen hog during the autumn and winter months for applicable value adding production to allow fish that otherwise would be harvested to stay in the water longer during the key growing periods of autumn and winter. The make-up of the inventories balance is set out below, with a comparison of the balances at 30 June 2009 and 30 June 2008:

- Biological assets increased by \$16.880 million (20.27%) to \$100.169 million. The increase in the value of biological assets was in line with the Company's plan to increase livestock to be in a position to produce 30,000 hog tonnes by FY2015.
- Property, plant and equipment increased in value by \$44.075 million (51.79%) to \$129.170 million. Prior to FY2009, Tassal's capital expenditure priority has been to replace/upgrade infrastructure and to deliver operational efficiencies through the new processes and modern technology. Replacement/upgrade expenditure is now in the vicinity of \$13 to \$15 million. For FY2009 and FY2010, the capital expenditure spend has shifted to expansionary/ biomass increase, with efficiency and risk mitigation still front of mind. It is necessary to ensure that the infrastructure is in place to deliver on the operational requirements of the Strategic Plan FY2015.
- Other intangibles represents the purchase of the Superior Gold brand from The King Island Company Limited, a whollyowned subsidiary of National Foods Limited, on 15 February 2008 for \$23.118 million, with the uplift of \$1.066 million for FY2009 representing stamp duty paid on the transaction.
- Trade and other payables increased by \$6.309 million (21.66%) to \$35.442 million. This is reflected in the increase in the biological assets of 20.27%.
- Borrowings the net effect of cash and cash equivalents and borrowings (current and non-current) was an increase of \$37.484 million to \$70.077 million. The gearing ratio at 30 June 2009 was 33.17% [30 June 2008: 17.24%].

Cash flow

Overall, net cash provided by operating activities was \$23.986 million – an uplift of \$14.959 million from FY2008.

Cash flow from operating activities was substantially utilised to underpin:

 the growth of inventories – with processed fish inventories, feed, packaging and consumables increasing by \$9.399 million;

	30 June 09	30 June 08	Movement	Change
	\$'000	\$'000	\$'000	%
Uplift re application of AASB 141	7,675	6,002	1,673	27.87
Processed Inventories	34,216	27,578	6,637	24.07
Feed, packaging and consumables	6,420	3,659	2,762	75.48
Total	48,311	37,239	11,072	29.73

	Volume - 30 June 2009 Hog Tonnes	Volume - 30 June 2008 Hog Tonnes	Movement Hog Tonnes	Change %
Value Added Product	2,181	1,894	287	15.15
Frozen HOG	934	413	521	126.15
Total	3,115	2,307	808	35.02

- the growth of fish inventory with biological assets (i.e. fish in the water) increasing in value by \$13.878 million.
 This level of growth underpins Tassal's Strategic Plan FY2015;
- the build-up in trade debtors due to the increasing mix of sales to Supermarkets and the longer term agreement with Petuna of \$4.199 million; and
- the ongoing investment in hatchery, marine and processing infrastructure – payments for property, plant and equipment of \$53.475 million were incurred for the 2009 financial year. The ongoing investment in infrastructure is centred on expansion/biomass growth, efficiency related and risk mitigation capital items.

Outlook for the Full Year to 30 June 2010

- Tassal continues to experience strong sales momentum despite the current challenging economic environment.
 The Board expects this momentum to continue in FY2010, particularly given the Company's supermarket focus and the promotional strategies in place.
- Salmon farming remains a capital intensive industry, both from a capital expenditure and from a working capital perspective. Given the expansion/biomass growth that Tassal is undertaking pursuant to its Strategic Plan FY2015, the Board expects a similar production growth and capital expenditure profile in FY2010.
- Sales and marketing focus continues with the domestic market as Tassal continues to ensure that the Company delivers on the Strategic Plan FY2015 which has a sales revenue growth target of 10%. Export sales will remain a real sales alternative to the domestic market and Tassal will supply any excess volume from the domestic market into the export market.
- Retail costs and rebates and marketing costs increased as a
 percentage of total operating sales revenue in FY2009. Given
 the supermarket focus and the resulting sales mix change in
 FY2009, the Board expects these cost percentages to total
 operating sales revenue to continue in FY2010.
- With a strong Balance Sheet in place, Tassal is well
 positioned in FY2010 to continue to pursue the growth
 underpinning its Strategic Plan FY2015 and to bridge the lag
 between the cash effect of and the profit effect from capital
 expenditure implemented.
- Disease issues in Chile are underpinning the supply decrease year on year in the global salmon market. This decrease is and should continue to create profitable export opportunities.

Priorities for the Year Ahead

Tassal continues to make sound progress on its key priorities

- Fish size remains the number one priority, with the following implemented:
 - o all fish are now fed by automatic feeders;
 - o a larger and earlier smolt input profile is now in place;
 - o an appropriate mix of smolt types is being deployed;
 - o the Huon River Hatchery is now operational;
 - o two feed suppliers, with improved diet formulations, are now being used; and
 - o an increased use of effective lighting regimes is being implemented.
- Selective Breeding Program ("SBP") the program is expected to deliver significant improvement in average fish size and survivability, together with a reduction in the number of bathes.
- Fish survivability improved fish husbandry, SBP and on-site harvesting continues to underwrite improving fish survivability. On-site harvesting is expected to deliver an improvement in survivability of 1% to 2% alone, with SBP likely to deliver a 3% to 5% improvement.
- Processing improvements the Board considers that Tassal is now achieving global best practice processing cost positioning via continued automation investment in FY2008 and FY2009.
- Expansion/Biomass increase Tassal will continue to invest in capital infrastructure in order to deliver on the Strategic Plan FY2015, with the peak investment in expansion spend being in FY2009, the year just passed. Payback on expansion/biomass increase spend underpins the contribution margin and NPAT improvement underlying the Strategic Plan FY2015.
- Sustainability Tassal will target environmental and social aspects throughout the business in order to manage corporate reputation, support business growth and increase profitability.
- Branding it is essential that the Company has a strong "Tassal" brand as it:
 - builds greater understanding of consumers and their motivations;
 - o drives consumption through leveraging key drivers;
 - o assists retailers in achieving growth in category; and
 - o solidifies brand against price competition.

08

Chairman's and Chief Executive Officer's Report (cont.)

Tassal Group Limited and Controlled Entities

The net result is that Tassal sells more salmon, at a higher price, maximises the sales opportunities and protects against competitors.

- Vision for Tassal is to dominate the domestic Salmon market by building a strong Tassal brand, increasing per capita consumption, leading innovation and being responsive to consumer and customer needs.
- Brand proposition Tassal is the first choice in salmon, providing natural functional and nutritional benefit to a healthy, active lifestyle whilst increasingly being part of an every-day diet. Tassal will be positioned as a brand that is vibrant, energetic and the leader in salmon innovation.
- Key marketing strategies are that Tassal:
 - o builds "Tassal" brand awareness and equity;
 - o leads growth in salmon per capita consumption;
 - o drives and leads new product development and innovation; and
 - o fortifies retail and wholesale relationships.

Sustainability

Tassal has employed a Chief Sustainability Officer (CSO), whose role includes facilitating sustainable environmental development across all of the business streams. Tassal is proactively taking an industry leadership position in implementing a sustainability focus throughout the Company. Key to this focus will be meaningful communication with all stakeholders, including customers. The Company's goal is to develop significant environmental and social initiatives led by stakeholder input.

The CSO will also spotlight within the organisation, ways to drive business opportunity through improved sustainability practices. Developing a framework to support the release of an annual sustainability report will be a focus for Tassal in the upcoming year.

Tassal is committed to protecting the quality of the air, water and soil environments and seeks to prevent pollution and minimise the environmental impact of all its operations.

The Board is accountable for the development, establishment and review of appropriate policy in these areas. The Board requires a best practice approach in these areas and has implemented appropriate management objectives and structures, and a regular reporting process to ensure that this objective is achieved. The Board considers Tassal to be a sustainable aquaculture company from an environmental, operational and financial perspective.

The major environmental highlights for Tassal for the coming financial year are:

- The development of an Environmental Management System (EMS) in compliance with the requirements of ISO 14001 for the Marine Farming Operations. It is planned that the EMS will be fully implemented by early 2010, with the aim of acquiring certification for the accredited system.
- Ongoing development of a treatment solution for several of the larger waste streams, which include the beneficial re-use of a controlled waste.
- Ongoing upgrading the Company's waste water treatment plants to best practice standards to accommodate the planned production increases.
- Continuing to work with regulators to meet their requirements and collectively acquire the scientific information required to quantify the environmental impacts of salmon farming.

Climate Change

Tassal considers that increasing greenhouse gas concentrations in the atmosphere and associated climate change risks need to be addressed at both a global and local level.

As a responsible corporate member of the community, Tassal seeks to conduct a profitable business with a commitment to reduce our contribution to greenhouse gas emissions and reduce the risks of adverse effects from climate change while operating in an emission constrained environment.

Tassal believes that the risks of climate change associated with increasing greenhouse gas concentrations needs to be addressed through accelerated action. Behavioural change, innovation and technical progress are essential to achieve a balance in meeting natural resource and energy needs. Tassal will take action within our own business and work with industry, governments and other stakeholders to address this global challenge and find lasting solutions congruent with our goals.

Tassal has calculated its carbon footprint and energy consumption to establish the requirement to register with the National Greenhouse and Energy Reporting Act as managed by the Commonwealth Department of Climate Change (DCC). According to the threshold limits established by the DCC, Tassal is significantly below the limits required for registration. At this stage the Board has decided not to adopt the option of voluntary registration until such time as the Greenhouse Gas Emission (GHGE) estimates can be further defined.

Tassal has a Climate Change Policy which gives consideration and commitment to lowering the operational greenhouse gas emissions and overall energy consumption of the operations.

OH & S

Tassal is committed to providing a healthy and safe workplace that is, as far as is reasonably practicable, without risk of injury or illness. Our aspirational vision is "No Injuries". This commitment extends to the delivery of a healthy and safe product to all Tassal customers and consumers and is underpinned by the Company's food safety and hygiene related accreditations. These include ISO 9001:2000, HACCP, Halal, Kosher and various specific other accreditations to meet the food safety and hygiene requirements of our major retail customers.

Tassal believe that no job is so important that it cannot be done safely. Each and every Tassal employee has a responsibility to themselves, their colleagues, their families and their community to ensure that this is upheld and turned into action.

Tassal continues to strive for improved safety performance and is moving from a compliance based approach to OHS to one that proactively supports the physical and emotional wellbeing of our people. While noting this shift, Tassal remains dedicated to embedding a superior safety program throughout the Company and will allocate sufficient resources to enhance both engineering and system based solutions in the workplace.

Improvement in safety performance remains a focus point in FY2010. Tassal is targeting an improved safety culture, with detailed activity plans established within each business unit to ensure continued improvement is achieved. Further to this, OHS targets are also integrated into Management key performance indicators.

Support

On behalf of the Board, once again, we thank our employees, customers, suppliers and shareholders who have continually believed in and supported us with our vision and strategy.

A. D. McCallum

Chairman

M. A. Ryan

Chief Executive Officer

Hobart, this 30th day of September 2009

Corporate Governance Statement

Tassal Group Limited and Controlled Entities

The Company is committed to maintaining high standards of corporate governance appropriate to its size and operations to effectively manage risk, improve the Company's performance and enhance corporate responsibility. The Board of Directors of the Company (the Board), working with senior management, is responsible for the corporate governance of the Company and its controlled entities. The Board carries out its responsibilities within a framework of corporate governance policies and practice documents which outline the commitment to act ethically, openly, fairly, and diligently when promoting the interests of shareholders, employees, customers and broader community interests.

The Board recognises the need for the continual development of the Company's corporate governance policies and practices. During the financial year ended 30 June 2008 the Board oversaw a project to review, revise and update the Company's suite of corporate governance policies and practices to ensure continued and ongoing compliance with the ASX Corporate Governance Council's ("ASX CGC") Corporate Governance Principles and Recommendations and to ensure that the Company seeks to achieve best practice.

Unless explicitly stated otherwise, the Directors believe the Company complies with the core principles and underlying recommendations of ASX CGC's "Corporate Governance Principles and Recommendations".

The Corporate Governance Statement is provided in tabular format to specifically align the response of the Tassal Board clearly to each specific recommendation. The table also lists the relevant codes, policies or charters that underpin Corporate Governance practices at Tassal.

All these documents (unless indicated) are available for public inspection on the Company's website (Investor Relations Section), www.tassal.com.au.

		Reference material	Compliance
Principle 1	Lay solid foundations for management and oversight Establish and disclose the respective roles and responsibilities of Board and management.		Yes
Recommendation 1.1	Formalise and disclose the functions reserved to the Board and those delegated to management.		Yes
Tassal Board Response	The Board has adopted a Board Charter which clearly outlines the role and functions of the Board, has developed separate role statements for the Chairman and Chief Executive Officer and implemented a policy prescribing the delegated and reserved powers of the Board and that delegated to senior Executives.	Board Charter Statement of Delegated Authority Role of the Chairman Role of the CEO	
Recommendation 1.2	Disclose the process for performance evaluation of senior executives.		Yes
Tassal Board Response	The Chief Executive Officer's compensation arrangements and performance is reviewed, monitored and evaluated by the Board and Remuneration and Nominations Committee on an annual basis, against annually established and mutually agreed performance criteria. The senior Executives' compensation arrangements and performance is reviewed, monitored and evaluated by the Chief Executive Officer against annually established and mutually agreed performance criteria. A formal performance review methodology is in place. The Chief Executive Officer provides the Remuneration and Nominations Committee with an overview of individual senior Executive performance and compensation recommendations for Committee assessment and review. Formal performance evaluations have been undertaken for the Chief Executive Officer and senior Executives during the current financial year in accordance with disclosed Company policy. Formal induction programs are undertaken for all new senior Executive appointments.	Remuneration Report Section 20 of the Directors' Report Board Charter Remuneration Policy Remuneration and Nominations Committee Charter	

		Reference material	Compliance
	Structure the Board to add value		
Principle 2	Have a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties.		Yes
Recommendation 2.1	A majority of the Board should be independent directors.		Yes
Tassal Board Response	The Board is conscious of the need to have independent Directors but must also ensure that Board members can add value in the context of Tassal's business. Therefore, the Board will seek to ensure that the Board comprises Directors who have a strong understanding of Tassal's business. The Company has adopted a Policy on Independence. The fundamental premise of the policy is that an independent Director must be independent of management and free to exercise his or her unfettered and independent judgement. The Directors considered by the Board to constitute independent Directors are identified, along with their period in office, in the Directors' Report. The Company presently has five Non-executive Directors, four of whom, including the Chairman, are considered by the Board to be independent in terms of the ASX CGC's definition of an independent Director. The Chief Executive Officer is an Executive Director of the Company. The Board is accordingly comprised of a majority of independent Directors.	Board Charter Policy – Independence of Directors Refer section 1 of the Directors' Report for details of Director's length of service. Refer section 16 of the Directors' Report for names of Directors considered to be independent.	
Recommendation 2.2	The Chairman should be an independent Director.		Yes
Tassal Board Response	The Chairman, Mr Allan McCallum, is an independent Director.	Board CharterRole of the Chairman	
Recommendation 2.3	The roles of the Chairman and Chief Executive Officer/Managing Director should not be exercised by the same individual.		Yes
Tassal Board Response	Mr Mark Ryan is the Company's Chief Executive Officer/Managing Director. In line with the Board Charter, the roles of Chairman and Chief Executive Officer/Managing Director are separated. Board policy is that the Chief Executive Officer/Managing Director cannot become Chairman.	Board CharterRole of the ChairmanRole of the CEO	
Recommendation 2.4	The Board should establish a nomination committee.		Yes
Tassal Board Response	The Board has established a Remuneration and Nominations Committee. The Committee's charter sets out its roles, responsibilities, membership, meeting process, Board reporting requirements and performance evaluation requirements. The Committee is structured so that it consists of at least three Non-Executive Directors, all of whom must be independent.	Remuneration and Nominations Committee Charter	

12 Corporate Governance Statement (cont.)

		Reference material	Compliance
	Structure the Board to add value		
Principle 2 (cont.)	Have a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties.		Yes
Recommendation 2.5	Disclose the process for performance evaluation of the Board, its Committees and individual Directors.		Yes
Tassal Board Response	The Board Charter requires that each year the Board will conduct an evaluation of its performance that: compares the performance of the Board with the requirements of its Charter; sets forth goals and objectives of the Board for the upcoming year; and effects any improvement to the Board Charter deemed necessary or desirable. The respective Board Committee Charters also require the Committees to evaluate their performance and composition at least annually to determine whether it is functioning effectively by reference to current best practice. This evaluation is presented to the Board for review. Formal performance evaluations have been satisfactorily undertaken for the Board, Audit and Risk Committee and Remuneration and Nominations Committee during the current financial year in accordance with disclosed Company policy. Formal induction programs are undertaken for all new Board appointments.	Remuneration Report - section 20 of the Directors' Report Board Charter Remuneration Policy Remuneration and Nominations Committee Charter Audit and Risk Committee Charter	
Recommendation 2.6	Provide the information set out in Guide to reporting on Principle 2: • The skills, experience and expertise relevant to the position of Director		Yes
Tassal Board Response	held by each Director in office at the date of the annual report. All Directors have an understanding of Tassal's business. The Board considers the Directors' diverse range of skills and experience is appropriate to discharge its responsibilities and duties.	Refer sections 16 and 17 of the Directors' Report	
Tassal Board Response	The names of the Directors considered by the Board to constitute independent Directors and the Company's materiality thresholds. See Tassal Board response to recommendation 2.1. The Company's independence criteria guidelines for the Board to use	Refer sections 16 and 17 of the Directors'	
	in determining the independence of Directors are detailed in the Board's Policy on Independence of Directors.	Report Policy – Independence of Directors	
	 The existence of any relationships affecting independent status and an explanation of why the Board considers a Director to be independent, notwithstanding the existence of those relationships. 		
Tassal Board Response	Mr R. Roberts is the Non-executive Chairman of Webster Limited, a substantial shareholder of the Company pursuant to the Corporations Act 2001, and is accordingly not an independent Director. All other non-executive Directors are considered to be independent and		
	All other non-executive Directors are considered to be independent and there are no relationships in existence affecting that status.		

		Reference material	Compliance
Principle 2 (cont.)	Structure the Board to add value Have a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties.		Yes
	 A statement as to whether there is a procedure agreed by the Board for Directors to take independent professional advice at the expense of the company. 		
Tassal Board Response	Tassal Directors are entitled to seek independent professional advice at the Company's expense, subject to the approval of the Chairman, or in his absence, the Board.	Board Charter Director's Deed of Indemnity and Right of Access to Documents – this document is not publicly available	
	The term of office held by each Director in office at the date of the Annual Financial Report.		
Tassal Board Response	This information is provided in the Directors' Report.	Refer section 1 of the Directors' Report	
	The names of members of the Remuneration and Nominations Committee and their attendance at meetings of the Committee.		
Tassal Board Response	This information is provided in the Directors' Report.	Refer sections 16 and 18 of the Director's Report	
	Description of the procedure for the selection and appointment of Directors.		
Tassal Board Response	The procedures for the appointment and removal of Directors are ultimately governed by the Company's constitution. The Board has delegated to the Remuneration and Nominations Committee the responsibility for recommending to the Board candidates to be nominated to act as new Directors and for recommending to the Board the reappointment of retiring Directors. Where appropriate, external consultants are used to access a wide base of potential candidates and to review the suitability of candidates for appointment based on formally adopted criteria for Director selection.	Policy for Selection and Appointment of Directors Remuneration and Nominations Committee Charter	

14

Corporate Governance Statement (cont.)

		Reference material	Complian
	Promote ethical and responsible decision making		
Principle 3	Actively promote ethical and responsible decision making.		Yes
Recommendation 3.1	Establish a code of conduct to clarify the standards of ethical behaviour required of the Board, senior Executives and all employees as to:		Yes
	the practices necessary to maintain confidence in the Company's integrity;		
	 the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and 		
	 the responsibility and accountability of individuals for reporting and investigating reports of unethical practices. 		
Tassal Board Response	The Directors have adopted a Code of Conduct to provide clear guidelines for the ethical behavioural standards expected of the Company's Directors, senior Executives and all employees.	Code of Conduct	
	The Code of Conduct sets ethical standards for Tassal's Directors and Employees, all of whom are expected to pursue the highest standards of ethical conduct in the interests of shareholders, customers, suppliers, the wider community and the environment.		
	Ethical conduct relates to standards of behaviour characterised not only by complying with the law and the various policies of the Company which are referred to in the Code of Conduct, but also by acting fairly, honestly and with integrity.		
	The Code addresses, among other things:		
	 ethical conduct and expected behaviours based on the principles of fairness, honesty and integrity; 		
	compliance with the law;		
	 confidentiality and inside information; 		
	disclosure of interests;		
	trading in Tassal securities;		
	 integrity of records; 		
	 protection of Tassal assets; 		
	 personal transactions; 		
	 improper payments, gifts, entertainment and travel; 		
	political contributions; and		
	whistleblower protection.		
Recommendation 3.2	Establish a policy concerning trading in Company securities by Directors, senior Executives and employees, and disclose the policy or a summary of the policy.		Yes
Tassal Board Response	The Company has a Securities Trading Policy which regulates dealings by the following Restricted Persons in Tassal securities and securities of any other entity that may be affected by inside information:	Securities Trading Policy Poard Charter	
	Tassal Directors;	Board CharterCode of Conduct	
	Designated Tassal Employees:		
	Chief Executive Officer		
	Company Secretary and CFO		
	All members of Tassal's Executive		
	All direct reports to members of Tassal Executive		
	All Tassal employees employed or engaged in the Information Services Centre (Administration and Finance) Department		
	All Tassal employees employed or engaged in the Information Technology Department		
	 Any other Tassal employee(s) designated as a Restricted Person by the Company Secretary from time to time for the purposes of this Policy; 		

		Reference material	Compliance
	Promote ethical and responsible decision making		
Principle 3 (cont.)	Actively promote ethical and responsible decision making.		Yes
	All Immediate Family Members of Tassal Directors and Designated Tassal Employees; and		
	companies, trusts and entities controlled by any of the above.		
	The rationale for the Policy is to establish a best practice procedure relating to buying and selling Tassal Securities that provides protection to the Company and to Restricted Persons to ensure that they do not abuse, and do not place themselves under suspicion of abusing, inside information that they have or may be thought to have, especially in periods leading up to an announcement of Tassal's results, and to explain the type of conduct that is prohibited under the Corporations Act.		
	Restricted Persons are prohibited from trading in Tassal securities and any other entity (e.g. another listed company with which Tassal is confidentially negotiating a significant transaction) whilst in the possession of what they ought reasonably to know is inside information, being price sensitive information not generally available and that a reasonable person would expect to have a material effect on the price or value of Tassal shares.		
	Restricted Persons are prohibited from trading in Tassal securities during "Black Out" periods defined as follows:		
	 From midnight, 31 December until midday Hobart Local Time (HLT) on the next ASX trading day after the day on which Tassal's half-year results are released to ASX; and 		
	 From midnight, 30 June until midday HLT on the next ASX trading day after the day on which Tassal's full year results are released to ASX. 		
	The Policy provides specific "pre and post" deal notification procedures that must be followed when, in the absence of possession of inside information, Restricted Persons intend to trade in Tassal securities.		
	Directors must advise the Company which in turn advises the ASX, of any transactions conducted by them in the Company's securities within five business days after the transaction occurs.		
	Pursuant to the Company's Securities Trading Policy, a Restricted Person must not engage in hedging instruments, deal in derivatives or enter into arrangements which limit the economic risk related to Tassal Securities (including the use of put and call options, contracts for difference and other contracts intended to secure a profit or avoid a loss based on fluctuations in the price of Tassal Securities).		
	This prohibition includes, without exception, engaging in hedging or other arrangements which limit the economic risk in connection with unvested Securities issued pursuant to any equity-based Employee Long Term Incentive Plan or Security Plan.		
Recommendation 3.3	Provide the information set out in Guide to reporting on Principle 3:		Yes
Tassal Board Response	Tassal's Code of Conduct and Securities Trading Policy are available for public inspection on the Company's website (Investor Relations Section), www.tassal.com.au.		

16 Corporate Governance Statement (cont.)

		Reference material	Complianc
Principle 4	Safeguard integrity in financial reporting Have a structure to independently verify and safeguard the integrity of the company's financial reporting.		Yes
Recommendation 4.1	The Board should establish an Audit Committee.		Yes
Tassal Board Response	The Board has established an Audit and Risk Committee.	Audit and Risk Committee Charter	
Recommendation 4.2	Structure the Audit Committee so that it consists of: only Non-executive Directors; a majority of independent Directors; an independent Chairman who is not Chairman of the Board; and at least three members.		Yes
Tassal Board Response	Tassal's Audit and Risk Committee is structured in compliance with this best practice recommendation. All Committee members are independent Directors.	Audit and Risk Committee Charter Refer section 16 of the Directors' Report for names of Committee members and their independence status	
Recommendation 4.3	The Audit Committee should have a formal charter.		Yes
Tassal Board Response	The Audit and Risk Committee has a formal charter which sets out its roles, responsibilities, membership, meeting process, Board reporting requirements and performance evaluation requirements.	Audit and Risk Committee Charter	
Recommendation 4.4	Provide the information set out in Guide to reporting on Principle 4:		Yes
	 Details of the names and qualifications of those appointed to the Audit Committee. The number of meetings of the Audit Committee and names 		
Tassal Board Response	of the attendees. This information is provided in the Directors' Report.	Refer sections 16, 17 and 18 of the Directors' Report	
	 Procedures for the selection and appointment of the external auditor, and for the rotation of external audit engagement partners. 		
Tassal Board Response	The external auditor, Deloitte Touche Tohmatsu (retained following a scheduled formal tender process conducted during the current financial year), under the scrutiny of the Audit and Risk Committee, presently conducts the statutory audits in return for reasonable fees.	Audit and Risk Committee Charter	
	The Committee has specific responsibility for recommending the appointment or dismissal of external auditors and monitoring any non-audit work carried out by the external audit firm. The procedures for appointment of an external auditor are outlined in the charter.		
	The Audit and Risk Committee has developed the following guidelines to assist it in these areas:		
	 Guidelines on External Auditor Selection, Evaluation and Rotation (this document is not publicly available); and Guidelines on Provision of Audit and Other (Non-Audit) Services 		
	Guidelines on Provision of Audit and Other (Non-Audit) Services by the External Auditor (this document is not publicly available). No Director has any association, past or present, with Tassal's		
	external auditor.		

		Reference material	Compliance
	Make timely and balanced disclosure		
Principle 5	Promote timely and balanced disclosure of all material matters concerning the Company.		Yes
Recommendation 5.1	Establish written policies and procedures designed to ensure compliance with ASX Listing Rules disclosure requirements and to ensure accountability at a senior management level for that compliance and disclose those policies or a summary of those policies.		Yes
Tassal Board Response	The Board has adopted a Continuous Disclosure Policy to ensure Tassal complies with its disclosure obligations under ASX Listing Rules and the Corporations Act and to attribute accountability at a senior Executive level for that compliance. The policy encompasses comprehensive procedures to ensure that matters are identified that are likely to have a material effect on the price of the Company's securities and to ensure those matters are notified to the ASX in accordance with its Listing Rule disclosure requirements. The procedures relating to the notification of price sensitive matters to the ASX and the subsequent positing of them on the Company's website are detailed in policy documentation.	Continuous Disclosure Policy	
	Tassal's website contains copies of all ASX releases covering such publications as Annual Financial Reports, half-year results, Notices of Meeting, media releases and analyst briefings, with the latter released prior to the commencement of the briefing.		
	The Company Secretary is responsible for all communications with the ASX.		
Recommendation 5.2	Provide the information set out in Guide to reporting on Principle 5:		Yes
Tassal Board Response	Tassal's Continuous Disclosure Policy is available for public inspection on the Company's website (Investor Relations Section), www.tassal.com.au .		
	Respect the rights of shareholders		
Principle 6	Respect the rights of shareholders and facilitate the effective exercise of those rights.		Yes
Recommendation 6.1	Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings and disclose those polices or a summary of those policies.		Yes
Tassal Board Response	Tassal places considerable importance on effective communication with its shareholders, market participants, customers, employees, suppliers, financiers, creditors other stakeholders and the wider community. Accordingly the Board has adopted a Communications Policy which requires communication with shareholders in an open, regular and timely manner so that the market has sufficient information to make informed investment decisions on the operations and results of the Company.	Communications Policy Guidelines for Notices of Meetings Notice of Meeting for 2009 Annual General Meeting	
	The Company's website (www.tassal.com.au) is the primary means for shareholders to access communications and it has been designed to enable information to be accessed in a clear and readily accessible manner.		
	The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and understanding of the Company's strategy and goals. Important issues are presented to shareholders as single resolutions.		
	The Company's Notice of Annual General Meeting provides details of the location, time and date of the meeting, the business to be considered by shareholders and details about each candidate standing for election or re-election as a Director of the Company. The Board has developed guidelines for the format and content of Notices of Meetings.		

Corporate Governance Statement (cont.)

		Reference material	Compliano
Principle 7	Recognise and manage risk Establish a sound system of risk oversight and management and internal control.		Yes
Recommendation 7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.		Yes
Tassal Board Response	The Company has established polices for the oversight and management of material business risks, which are formalised in its "Procedures for the Oversight and Management of Material Business Risks" which is available for public inspection on the Company's website (Investor Relations Section), www.tassal.com.au. The Board is responsible for reviewing the Company's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control. The Audit and Risk Committee assists the Board in fulfilling its responsibilities in this regard by reviewing the financial and reporting aspects of the Company's risk management and control framework. Responsibility for control and risk management is delegated to the appropriate level of management within the Company with the Chief Executive Officer and senior Executives having ultimate responsibility to the Board for the risk management and control framework. Areas of material business risks to the Company are highlighted in the annual operating plan and presented to the Board by the Chief Executive Officer and senior Executives each year. The Company has an established formalised "Risk Map and Mitigation Plan". The Plan identifies and quantifies material business risks across the Company and highlights management action plans and timelines for risk mitigation. Management regularly reports to the Audit and Risk Committee as to whether material business risks have been managed effectively. The Audit and Risk Committee Charter outlines the principal risk related functions of the Committee which, in accordance with the Company's Procedures on Oversight and Management of Material Business Risks, is to ensure that Management has established and operates a business risk management system which is designed to: • identify, assess, monitor and manage material business risk; and • inform investors of material changes to Tassal's risk profile. The Company is exposed to a range of risk cate	Procedures for the Oversight and Management of Material Business Risks Audit and Risk Committee Charter Board Charter	
	practices; and ensuring the development and ongoing review of appropriate risk management policies. Note 40 in the notes to the financial statements provides further overview of risk oversight and management policies.		

		Reference material	Compliance
Principle 7 (cont.)	Recognise and manage risk Establish a sound system of risk oversight and management and internal control.		Yes
Recommendation 7.2	The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.		Yes
Tassal Board Response	Management has designed and implemented a comprehensive risk management and internal control system to manage the Company's material business risks through the establishment and formalisation of the Company's "Risk Map and Mitigation Plan". The Plan identifies and quantifies material business risks across the Company and highlights management action plans and timelines for risk mitigation.	Procedures for the Oversight and Management of Material Business Risks Audit and Risk Committee Charter	
	Management regularly reports to Board and Audit and Risk Committee that material business risks are being managed correctly, with the provision of such reports scheduled as part of the Board and Audit and Risk Committee's respective Annual Program Schedules.	Board Charter	
	As part of this process, Management has reported to the Board as to the effectiveness of the Company's management of its material business risks. In particular, the Company's Chief Risk Officer also has provided a letter		
	of assurance to the Board confirming that:		
	 the Company's risk management system is supported by a well- structured framework and policy, which is established based on the guidelines from AS/NZS 4360:2004 Risk Management and ASX Corporate Governance Principles and Recommendations; 		
	 appropriate and adequate risk management and control monitoring and reporting mechanisms are in place; and 		
	 the Company's risk management and internal compliance and risk related control systems are operating efficiently and effectively in all material respects. 		
	(See also Tassal response to 7.1)		

Corporate Governance Statement (cont.)

		Reference material	Compliance
Principle 7 (cont.)	Recognise and manage risk Establish a sound system of risk oversight and management and internal control.		Yes
Recommendation 7.3	Disclose whether the Board has received assurance from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.		Yes
Tassal Board Response	The Chief Executive Officer and Chief Financial Officer have respectively provided such assurance to the Board.	Audit and Risk Committee Charter Refer section 11 of the Directors' Report	
Recommendation 7.4	Provide the information indicated in Guide to reporting on Principle 7:		Yes
	Statement whether the Board has received the report from management under Recommendation 7.2.		
Tassal Board Response	The Board has received the report from management under Recommendation 7.2.		
	Statement whether the Board has received assurance from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) under Recommendation 7.3.		
Tassal Board Response	The Board has received assurance from the Chief Executive Officer and the Chief Financial Officer under Recommendation 7.3.		

		Reference material	Compliance
	Remunerate fairly and responsibly		
Principle 8	Ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear.		Yes
Recommendation 8.1	The Board should establish a Remuneration Committee.		Yes
Tassal Board Response	The Board has established a Remuneration and Nominations Committee. The Committee's charter sets out its roles, responsibilities, membership, meeting process, Board reporting requirements and performance evaluation requirements. The Committee is structured so that it consists of at least three Non-Executive Directors, all of whom must be independent.	Remuneration Report - section 20 of the Directors' Report Remuneration and Nominations Committee Charter	
Recommendation 8.2	Clearly distinguish the structure of Non-executive Directors' remuneration from that of Executive Directors and senior Executives.		Yes
Tassal Board Response	Non-executive Directors receive a cash fee for service and have no entitlement to any performance-based remuneration or participation in any share-based incentive schemes. This policy reflects the differences in the role of the Non-executive Directors, which is to provide oversight and guide strategy, and of management, which is to operate the business and execute the Company's strategy.	Remuneration Report section 20 of the Directors' Report	
	The remuneration packages of the Chief Executive Officer and senior Executives may include a Short-term Incentive component that is linked to the overall financial and operational performance of the Company and based on the achievement of specific Company and individual/team goals.		
	The Chief Executive Officer and Senior Executives may also be invited to participate in the Company's Long-term Incentive Plan. The long-term benefits of the Long-term Incentive Plan are conditional upon the Company achieving certain performance criteria.		
	Details of Tassal's remuneration policies are set out in the Remuneration Report.		
Recommendation 8.3	Provide the information set out in Guide to Reporting on Principle 8:		Yes
	The names of the members of the Remuneration Committee and their attendance at meetings of the Committee.		
Tassal Board Response	This information is provided in the Directors' Report.	Refer sections 16 and 18 of the Directors' Report	
	The existence and terms of any schemes for retirement benefits, other than statutory superannuation, for non-executive directors.		
Tassal Board Response	Non-executive Directors are not entitled to retain a retirement benefit beyond the statutory superannuation obligations.	Remuneration Report – section 20 of the Directors' Report	

Directors' Report

Tassal Group Limited and Controlled Entities

The Directors present their report together with the Annual Financial Report of Tassal Group Limited ("the Company") and the consolidated Annual Financial Report of the consolidated entity, being the Company and its controlled entities ("the Group"), for the year ended 30 June 2009 and the independent auditor's report thereon.

The Annual Financial Report of the Company and the consolidated entity have been reviewed and approved by the Directors on the recommendations of the Audit and Risk Committee.

In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

1. Directors

At the date of this report, the Directors of Tassal Group Limited who held office at any time during or since the end of the financial year are:

Mr Allan McCallum (Director since 7 October 2003) (Chairman since 27 June 2005)

Mr Mark Ryan – Chief Executive Officer (Director since 21 December 2005)

Mr David Groves (Director since 27 February 2007)

Ms Jill Monk (Director since 7 October 2003)

Mr Roderick Roberts (Director since 18 March 2005)

Mr John Watson (Director since 7 October 2003)

In addition the following Directors resigned during the financial vear:

Mr Charles Bright (Appointed 4 August 2005) resigned 30 September 2008

Mr David Robinson (Appointed 30 September 2008) resigned 20 November 2008

2. Principal Activities

During the year the principal activities of the consolidated entity were the hatching, farming, processing, sales and marketing of Atlantic Salmon.

There were no significant changes in the nature of the activities of the consolidated entity during the year.

3. Dividends

During and since the end of the financial year the following dividends have been paid or declared:

- A final ordinary dividend of 3.50 cents per ordinary share in respect of the year ended 30 June 2008 was declared on 27 August 2008 and paid on 24 October 2008 amounting to \$4.715 million. The dividend payment was unfranked.
- An interim dividend of 4.00 cents per ordinary share in respect of the year ended 30 June 2009 was declared on 24 February 2009 and paid on 2 April 2009 amounting to \$5.420 million. The dividend payment was unfranked.
- On 25 August 2009, the Directors declared a final unfranked dividend of 4.00 cents per ordinary share amounting to \$5.464 million in respect of the financial year ended 30 June 2009. The record date for determining entitlements to this dividend is 18 September 2009. The final dividend will be paid on 8 October 2009.
- The Company's Dividend Reinvestment Plan will apply to the final dividend and a discount rate of 5% has been determined by the Directors.
- The Company has executed an Underwriting Agreement to underwrite that portion of the Final Dividend payment that is not taken up by shareholders pursuant to the Dividend Reinvestment Plan. This will assist funding the Company's ongoing capital investment initiatives underpinning the Company's Strategic Plan FY2015.

The Company will not have any franking credits available for distribution at the date of the dividend payment. Franking credits will arise when the Company makes income tax payments.

The final dividend in respect of ordinary shares for the year ended 30 June 2009 has not been recognised in this Annual Financial Report because the final dividend was declared subsequent to 30 June 2009.

4. Review of Operations

The consolidated net profit after tax for the financial year was \$30.084 million. (For the financial year ended 30 June 2008: \$20.467 million).

The Directors of Tassal Group Limited have declared an unfranked final dividend of 4.00 cents per ordinary share.

The consolidated entity's revenue was reported at \$357.781 million compared with \$288.311 million for the financial year to 30 June 2008.

Earnings before interest and tax ("EBIT") was \$41.899 million compared with the financial year to 30 June 2008 EBIT of \$31.157 million.

Cash flow from operating activities was significantly utilised to underpin the growth of fish inventory and infrastructure investment which, in turn, will underpin future profitability.

Earnings per share ("EPS") on a weighted average basis was recorded at 22.20 cents per share compared with the financial year to 30 June 2008 of 16.46 cents per share.

Further details on review of operations and likely future developments are outlined in the Chairman's and CEO's Report on pages 4 to 9 of this Annual Financial Report.

5. Changes in State of Affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the consolidated entity that occurred during the financial year under review not otherwise disclosed in this Directors' Report or the Annual Financial Report.

6. Future Developments

Likely developments in the consolidated entity's operations have been commented on in a general nature in the Annual Financial Report. In particular, reference should be made to the joint Chairman's and CEO's Report. In the opinion of the Directors further information about likely developments in the operations of the consolidated entity and the expected results from those operations in future financial years has not been included because disclosures of the information would be likely to result in unreasonable prejudice to the consolidated entity.

Directors, Directors' Meetings and Directors' Shareholdings

The names of the Directors who held office during the financial year and details of current Directors' qualifications, Directors' interests in the Company, experience and special responsibilities and directorships of other listed entities are set out in sections 16 and 17 of this Directors' Report.

Details of Directors' meetings and meetings of Committees of Directors including attendances are set out in section 18 of this Directors' Report.

8. Events Subsequent to Balance Date

Except for the dividend declared after year end (refer to note 2 to the financial statements), there has not arisen in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of Tassal, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future financial years.

9. Indemnification of Officers and Auditors

During the financial year, the Company paid a premium in respect of a contract insuring the Directors of the Company (as named above), the Company Secretary, Mr N. J. Burrows and all Executive officers of the Company against a liability incurred as such a Director, Secretary or Executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

10. Environmental Regulation

The consolidated entity's operations are subject to Commonwealth and State regulations governing marine and hatchery operations, processing, land tenure and use, environmental requirements, including site specific environmental licences, permits, and statutory authorisations, workplace health and safety and trade and export.

The consolidated entity's management regularly and routinely monitor compliance with the relevant environmental regulations and compliance is regularly reported to the Board.

The consolidated entity has well established procedures to monitor and manage compliance with existing environmental regulations and new regulations as they come into force.

The consolidated entity has employed a Chief Sustainability Officer whose role is to ensure compliance with the regulatory framework and implement processes of continuous improvement with respect to environmental management.

The Board notes that the National Greenhouse and Energy Reporting Act (Commonwealth) has come into force and the Company is not required to register under that Act. The Board is monitoring the developments of the Federal Government's Carbon Pollution Reduction Scheme which is proposed to come into operation in 2010.

Further details with respect to the consolidated entity's environmental policy, climate change policy and carbon footprint are outlined in the Chairman's and CEO's Report on pages 4 to 9 of the Annual Financial Report.

The Directors believe that all regulations have been materially met during the period covered by this Annual Financial Report and are not aware of any material environmental incidents arising from the operations of the consolidated entity during the financial year.

11. Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors support the principles of good corporate governance.

The consolidated entity's statement on the main corporate governance practices in place during the year is set out on pages 10 to 21 of this Annual Financial Report.

The CEO and Company Secretary have declared, in writing to the Board, that the Company's Annual Financial Report is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.

Tassal Group Limited and Controlled Entities

11. Corporate Governance (cont.)

The Company's Chief Risk Officer has also provided a letter of assurance confirming that:

- the Company's risk management system is supported by a well-structured framework and policy, which is established based on the guidelines from AS/NZS 4360:2004 Risk Management and ASX Corporate Governance Principles and Recommendations;
- appropriate and adequate risk management and control monitoring and reporting mechanisms are in place; and
- the Company's risk management and internal compliance and risk related control systems are operating efficiently and effectively in all material respects.

12. Auditor's Independence Declaration

There is no former partner or director of Deloitte Touche Tohmatsu, the Company's auditor, who is or was at any time during the financial year an officer of the Group.

The auditor's independence declaration made under section 307C of the Corporations Act 2001 is set out on page 36 and forms part of this Directors' Report.

13. Non-audit Services

During the year Deloitte Touche Tohmatsu, the Company's auditor, has performed certain "non-audit services" in addition to their statutory duties.

The Board has considered the non-audit services provided during the year by the auditor and in accordance with written advice provided by resolution of the Audit and Risk Committee, is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- Non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed to ensure they do not impact the integrity and objectivity of the auditor; and
- The non-audit services provided do not undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing economic risks and rewards.

Details of the amounts paid to the auditor of the Company, Deloitte Touche Tohmatsu, for audit and non-audit services provided during the year are set out in note 6 to the financial statements.

14. Proceedings on Behalf of the Company

There were no proceedings brought on behalf of the Company nor any persons applying for leave under section 237 of the Corporations Act 2001 to bring proceedings on behalf of the Company.

15. Share Options and Performance Rights

There were no options granted to Directors or Executives during or since the end of the financial year.

No options were exercised during or since the end of the financial year.

During the year 402,586 (2008: 243,928) performance rights were granted to the Chief Executive Officer and other members of the Company's Leadership Group pursuant to the Company's Long-term Incentive Plan.

433,770 (2008: Nil) performance rights vested on 30 June 2009.

Refer to section 20 (g) (ii) of the Directors' Report for further details.

16. Information On Current Directors

an is a Non-executive Director of Incitec Pivot Limited, ector of Medical Developments International Limited and lairman of CRF Group Ltd. an is a former Chairman of Vicgrain Limited and Deputy lairman of Graincorp Limited. an has over 30 years experience in the primary industry color with representation on industry bodies at state, tional and international levels. Invid is a Director of Equity Trustees Limited. He is a lember of the MIR Management Limited Advisory Council dan Executive Director of a number of private companies. Invid also serves on the Corporate Committee of the lensive Care Foundation of Australia and New Zealand and a lirector of Kambala, a leading Australian girls' school Sydney. He is formerly an Executive Director of Mason lewart Publishing, Non-executive Director of Graincorp laited and Camelot Resources NL and an executive h Macquarie Bank Limited and its antecedent, I Samuel Australia.	Chairman of the Board of Directors Independent Non-executive Director Chairman of the Remuneration and Nominations Committee Independent Non-executive Director Member of the Audit and Risk Committee	235,709 Ordinary Shares 3,000 Ordinary shares
ember of the MIR Management Limited Advisory Council d an Executive Director of a number of private companies. Wid also serves on the Corporate Committee of the ensive Care Foundation of Australia and New Zealand and a Director of Kambala, a leading Australian girls' school Sydney. He is formerly an Executive Director of Mason enswart Publishing, Non-executive Director of Graincorp inted and Camelot Resources NL and an executive h Macquarie Bank Limited and its antecedent,	executive Director Member of the Audit and Risk	3,000 Ordinary shares
holds a Bachelor of Arts, a Bachelor of Law and a llowship of Insurance. She has over 30 years experience company secretarial, commercial legal, business risk, mpliance and human resources. Jill spent several years private legal practice and various companies including GU Insurance Limited. Jill held general management roles sluding responsibility for legal, superannuation, compliance d the role of Director of Human Resources. Jill held merous directorships across the CGU Group.	Independent Non- executive Director Member of the Audit and Risk Committee Member of the Remuneration and Nominations Committee	169,581 Ordinary Shares
d is presently the Non-executive Chairman of Webster nited, Deputy Chancellor of the University of Tasmania nuncil and a Director of a number of proprietary companies. It is described that previously held senior roles in manufacturing and estment banking, including Head of Corporate Finance in & Co, Director County NatWest Australia Limited, nairman Ossa Limited and Chairman Harris and mpany Limited.	Non-executive Director	28,139,372 Ordinary Shares Mr Roberts is a Director of Webster Limited which holds 28,139,372 Ordinary Shares
nn is Non-executive Chairman of Incitec Pivot Limited and sman Farms Limited, Director of Wool Partners International nited (NZ), a Councillor of the Royal Agricultural Society Victoria and a Member of the Rabobank Food and ribusiness Advisory Board for Australia and New Zealand. hn has a long history in food and agricultural industries, ving served on numerous industry advisory councils,	Independent Non- executive Director Chairman of the Audit and Risk Committee Member of the Remuneration	138,819 Ordinary Shares
Salen — consideration— has not not not be sometimental or not	U Insurance Limited. Jill held general management roles uding responsibility for legal, superannuation, compliance if the role of Director of Human Resources. Jill held nerous directorships across the CGU Group. d is presently the Non-executive Chairman of Webster ited, Deputy Chancellor of the University of Tasmania uncil and a Director of a number of proprietary companies. If has previously held senior roles in manufacturing and setment banking, including Head of Corporate Finance in & Co, Director County NatWest Australia Limited, airman Ossa Limited and Chairman Harris and impany Limited. In is Non-executive Chairman of Incitec Pivot Limited and man Farms Limited, Director of Wool Partners International ited (NZ), a Councillor of the Royal Agricultural Society fictoria and a Member of the Rabobank Food and libusiness Advisory Board for Australia and New Zealand. In has a long history in food and agricultural industries,	U Insurance Limited. Jill held general management roles uding responsibility for legal, superannuation, compliance if the role of Director of Human Resources. Jill held nerous directorships across the CGU Group. It is presently the Non-executive Chairman of Webster ited, Deputy Chancellor of the University of Tasmania uncil and a Director of a number of proprietary companies. It is previously held senior roles in manufacturing and estment banking, including Head of Corporate Finance in & Co, Director County NattWest Australia Limited, airman Ossa Limited and Chairman Harris and mpany Limited. In is Non-executive Chairman of Incitec Pivot Limited and man Farms Limited, Director of Wool Partners International ited (NZ), a Councillor of the Royal Agricultural Society (Ictoria and a Member of the Rabobank Food and ibusiness Advisory Board for Australia and New Zealand. In has a long history in food and agricultural industries, ing served on numerous industry advisory councils, uding advisory roles to the Victorian and Commonwealth

Tassal Group Limited and Controlled Entities

16. Information on Current Directors (cont.)

Director	Qualifications and experience	Special responsibilities	Particulars of Directors' interests in ordinary shares, options and performance rights over ordinary shares in the Company
MARK RYAN	Mark is the Managing Director and Chief Executive Officer of Tassal Group Limited. Mark holds a Bachelor	Managing Director Chief Executive	470,584 Ordinary Shares
(Managing Director and Chief Executive Officer) B.Com, CA, MAICD.	of Commerce and is a Chartered Accountant. Mark also holds Board positions with AFL Tasmania, Salmon Enterprises of Tasmania Pty Ltd (Industry hatchery), Springfield Hatcheries Pty Ltd, MIC Pty Ltd, Juicy Isle Pty Limited, National Aquaculture Council and the Food Industry Council of Tasmania as well as a number of other industry related associations.	Officer	164,184 Performance Rights
	Mark has over 20 years experience in the finance and turnaround management sector, with experience gained through PriceWaterhouseCoopers, Arthur Andersen and KordaMentha. Mark was previously a partner with KordaMentha.		

The particulars of Directors' interests in ordinary shares, options and performance rights over ordinary shares disclosed above are as at the date of this Directors' Report and as notified by Directors to Australian Stock Exchange Limited in accordance with the S205G(1) of the Corporations Act 2001.

17. Directorships of Other Listed Companies

Directorships of other listed companies held by the Directors in the three years immediately before the end of the financial year are as follows:

Director	Company	Period of Directorship (last 3 years)
A. McCallum	Medical Developments International Limited	Throughout
	Incitec Pivot Limited	Throughout
D. Groves	Graincorp Limited	August 1994 to May 2009
	Equity Trustees Limited	Throughout
J. Monk		None held
R. Roberts	Webster Limited	Throughout
M. Ryan		None held
J. Watson	Rural Press Limited	August 2005 to May 2007
	Incitec Pivot Limited	Throughout

18. Directors' Meetings

The following table sets out the number of Directors' meetings (including meetings of Committees of Directors) held during the financial year and the number of meetings attended by each Director (while they were a Director or Committee Member). During the financial year, 14 Board meetings, 3 Remuneration and Nominations Committee meetings and 6 Audit and Risk Committee meetings were held.

	Board of Directors meetings		Audit and Risk Committee meetings		Remuneration and Nominations Committee meetings	
Director	Number held	Number attended	Number held	Number attended	Number held	Number attended
C. Bright	5	2	*	*	1	1
D. Groves	14	13	6	6	*	*
A. McCallum	14	14	*	*	3	3
J. Monk	14	14	3	3	3	3
R. Roberts	14	14	3	3	*	*
D. Robinson	1	1	*	*	*	*
M. Ryan	14	14	*	*	*	*
J. Watson	14	14	6	6	2	2

(* not a committee member)

19. Company Secretary

Nicholas Jon Burrows [B.Com, FCIS, CA, F Fin, CFTP (Snr), MAICD, FTIA].

Mr Burrows is past National President of Chartered Secretaries of Australia (2002), a Fellow of Chartered Secretaries Australia and the Institute of Chartered Secretaries and Administrators and has been a Company Secretary of Listed ASX Companies for in excess of 21 years. Mr Burrows also acts as Chief Financial Officer and is a member of the Company's Leadership Group.

20. Remuneration Report - Audited

(a) Introduction

This Remuneration Report outlines Tassal Group Limited's ("Tassal's") overall reward strategy for the year ended 30 June 2009 and provides detailed information on the remuneration arrangements in this period for the Directors of Tassal Group Limited including the Managing Director and Chief Executive Officer, other Key Management Personnel and other employees. Key Management Personnel have the authority and responsibility for planning, directing and controlling the activities of Tassal, and comprise part of the five Executives of Tassal receiving the highest remuneration for the year ended 30 June 2009.

The Remuneration Report forms part of the Directors' Report and has been prepared in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Tassal's remuneration policy may be amended from time to time and is reviewed at least once a year. This may result in changes being made to the policy for the year ending 30 June 2010.

(b) Remuneration Philosophy

The Remuneration and Nominations Committee is responsible for making recommendations to the Board on remuneration policies and packages applicable to the Board members and senior Executives of the Company. The primary objectives of the remuneration policy are to provide a competitive, flexible and benchmarked structure that reflects market best practice, is tailored to the specific circumstances of the Company and which reflects the person's duties and responsibilities so as to attract, motivate and retain people of the appropriate quality.

Remuneration levels are competitively set to attract appropriately qualified and experienced Directors and Executives. The Remuneration and Nominations Committee obtains independent advice on the level of remuneration packages. The remuneration packages of the Chief Executive Officer and senior Executives may include a Short-term Incentive component that is linked to the overall financial and operational performance of the Company and based on the achievement of specific Company and individual/team goals. Senior Executives may also be invited to participate in the Company's Long-term Incentive Plan. The long-term benefits of the Long-term Incentive Plan are conditional upon the Company achieving certain performance criteria, details of which are outlined below.

(c) Remuneration Structure

In accordance with best practice corporate governance, the structure of Non-executive Director remuneration is separate and distinct from senior Executive remuneration.

Tassal Group Limited and Controlled Entities

20. Remuneration Report - Audited (cont.)

(d) Relationship Between the Remuneration Policy and Company Performance

The Consolidated entity's key underlying operational performance indicators in the period since initial listing (10 November 2003) and the financial year ended 30 June 2009 are summarised below:

	30 June 2009	30 June 2008	30 June 2007	30 June 2006	30 June 2005	30 June 2004
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue (from all sources)	357,322	287,883	245,606	202,709	157,389	102,789
EBITDA	49,928	38,533	34,370	20,416	12,351	13,913
EBIT	41,899	31,157	32,747	18,648	11,417	11,951
Net proft before tax	39,112	27,043	28,157	14,521	8,454	10,614
Net profit after tax	30,084	20,467	20,145	10,549	6,344	11,442
	30 June 2009	30 June 2008	30 June 2007	30 June 2006	30 June 2005	30 June 2004
Sales - domestic ('000 tonnes)	15,953	12,117	10,701	10,021	7,098	4,261
Sales - export ('000 tonnes)	1,132	1,974	1,623	906	910	274
Sales - total ('000 tonnes)	17,085	14,091	12,324	10,927	8,008	4,535
Domestic growth pa.	31.66%	13.23%	6.79%	41.18%	66.58%	N/A

	30 June 2009	30 June 2008	30 June 2007	30 June 2006	30 June 2005	30 June 2004
Share price:	30 Julie 2009	30 Julie 2006	30 Julie 2007	30 Julie 2000	30 Julie 2003	30 Julie 2004
Share price at the start of the year	\$2.60	\$3.32	\$1.13	\$0.89	\$0.88	N/A
Share price at the end of the year	\$1.94	\$2.60	\$3.32	\$1.13	\$0.89	\$0.88
Dividend per share:						
Interim dividend (unfranked)	\$0.0400	\$0.0300	\$0.0250	\$0.0225	N/A	N/A
Final dividend (unfranked) (i)	\$0.0400	\$0.0350	\$0.0275	\$0.0250	\$0.0250	\$0.0200
	\$0.0800	\$0.0650	\$0.0525	\$0.0475	\$0.0250	\$0.0200
Earnings per share:						
Basic	\$0.2220	\$0.1646	\$0.1764	\$0.0940	\$0.0699	\$0.1395
Diluted	\$0.2209	\$0.1639	\$0.1757	\$0.0940	\$0.0699	\$0.1389

⁽i) Declared after balance date and not reflected in the financial statements.

The consolidated entity ultimately assesses its performance from increases in earnings and shareholder value. The performance measures for both the Company's Short-term Incentive Plan and Long-term Incentive Plan have been tailored to align at-risk remuneration and performance hurdle thresholds to the delivery of financial and operational objectives and sustained shareholder value growth.

Over the past 6 years the consolidated entity has achieved the following compound annual growth rates from underlying operations:

Revenue (from all sources) - 28.3%
Net profit after tax - 21.3%
Basic earnings per share - 9.7%

(e) Components of Compensation - Non-executive Directors

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of Non-executive Directors shall be determined from time to time by a general meeting. Currently, the aggregate remuneration threshold is set at \$600,000 as approved by shareholders at the AGM on 2 November 2007. Legislated superannuation contributions made in respect or Non-executive Directors are included in determining this shareholder approved maximum aggregate annual pool limit.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board reviews its fees to ensure Tassal's Non-executive Directors are fairly remunerated for their services, recognising the level of skill and experience required to conduct the role, and to have in place a fee scale which enables Tassal to attract and retain talented Non-executive Directors. In conducting a review the Board regularly takes advice from an external independent remuneration consultant. The process involves benchmarking against a group of peer companies.

Non-executive Directors receive a cash fee for service and have no entitlement to any performance-based remuneration or participation in any share-based incentive schemes. This policy reflects the differences in the role of the Non-executive Directors, which is to provide oversight and guide strategy, and of management, which is to operate the business and execute the Company's strategy. Non-executive Directors are not subject to a minimum shareholding requirement. However, they may hold shares in Tassal subject to the Tassal Securities Trading Policy.

Each Non-executive Director receives a fee for being a Director of the Company. An additional fee is also paid for being a member of the Board's Remuneration and Nominations Committee and Audit and Risk Committee. The payment of an additional fee recognises the additional time commitment required by Directors who serve on those committees.

Fees payable to the Non-executive Directors of the Company for the 2009 financial year (inclusive of legislated superannuation contributions) were as follows:

	Base	Remuneration and Nominations Committee	Audit and Risk Committee
Chairman of the Board	\$149,139	N/A	N/A
Each other Non- executive Director	\$56,781	\$6,009	\$8,720

The Chairman of the Audit and Risk Committee received an additional \$8,720 for chairing that Committee.

(f) Components of Compensation - Chief Executive Officer and Other Key Management Personnel

(i) Structure

The Company aims to reward the Chief Executive Officer and senior Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company, and so as to:

- reward senior Executives for Company, business unit and individual performance against targets set by reference to appropriate benchmarks and key performance indicators;
- align the interests of senior Executives with those of shareholders:

- link reward with the strategic goals and performance of the Company; and
- ensure total remuneration is competitive by market standards.

In determining the level and make-up of the Chief Executive Officer's and senior Executive's remuneration, the Remuneration and Nominations Committee regularly obtains independent advice on the appropriateness of remuneration packages for Executives, given remuneration trends in other companies, from which the recommendations are made to the Board.

Remuneration consists of both fixed and variable remuneration components. The variable remuneration component consists of a Short-term Incentive Plan ("STI") and a Long-term Incentive Plan ("LTI").

The proportion of fixed remuneration and variable remuneration (potential short-term and long-term incentives) is established for the Chief Executive Officer by the Board and for each senior Executive by the Board following recommendations from the Chief Executive Officer and the Remuneration and Nominations Committee.

The Chief Executive Officer's and senior Executives' remuneration packages are all respectively subject to Board approval.

(ii) Fixed annual remuneration

Remuneration levels are reviewed annually to ensure that they are appropriate for the responsibility, qualifications and experience of the Chief Executive Officer and each senior Executive and are competitive with the market.

The Chief Executive Officer and senior Executives have the option to receive their fixed annual remuneration in cash and a limited range of prescribed fringe benefits such as a motor vehicle and car parking. The total employment cost of any remuneration package, including fringe benefits tax, is taken into account in determining an employee's fixed annual remuneration.

(iii) Variable remuneration – Short-term Incentives ("STI")

The objective of the STI Plan is to link the achievement of the annual operational targets with the remuneration received by the Executives charged with meeting those targets. The total potential STI available is set at a level so as to provide sufficient incentive to the Executive to achieve the operational targets such that the cost to the Company is reasonable in the circumstances.

Actual STI payments granted to the Chief Executive Officer and each senior Executive depend on the extent to which specific operating targets, set at the beginning of the year, are met. The operational targets may cover both financial and non-financial measures of performance. KPI's and assessment criteria may include a weighted combination of:

- meeting a pre-determined growth target in consolidated entity net profit after tax over the prior year;
- meeting strategic and operational objectives; and
- assessed personal effort and contribution.



Tassal Group Limited and Controlled Entities

20. Remuneration Report - Audited (cont.)

(f) Components of Compensation - Chief Executive Officer and Other Key Management Personnel (cont.)

(iii) Variable remuneration – Short-term Incentives ("STI") (cont.)

The Company has predetermined benchmarks which must be met in order to trigger payments under the STI. The measures were chosen as they directly align the individual's STI reward to the KPI's of the Company and to its strategies and performance.

On an annual basis the Remuneration and Nominations Committee consider the performance against KPI's, and determine the amount, if any, of the STI pool to be allocated to the Chief Executive Officer and each senior Executive.

The aggregate of annual STI payments available for the Chief Executive Officer and each senior Executive across the Company is subject to the approval of both the Chief Executive Officer and the Remuneration and Nominations Committee. STI payments are delivered as a cash bonus.

The target STI % range for the Chief Executive Officer and named senior Executives in respect of the financial year ended 30 June 2009 is detailed below.

Executive	Minimum STI calculated on fixed annual remuneration*	Maximum STI calculated on fixed annual remuneration*	
M. Ryan	30%	60%	
N. Burrows	20%	40%	
M. Asman	25%	50%	
D. Williams	30%	60%	
N. Petracca	20%	40%	
K. Little	20%	40%	
A. Sloman	30%	60%	

^{*} Fixed annual remuneration is comprised of base salary, superannuation and benefits provided through salary sacrificing arrangements.

Tassal's STI for FY2009 was directly linked to the Company's net profit after tax (NPAT) performance on the following basis:

30 June 2009		30 June 2008				
NPAT (i) Threshold \$'000	% of STI Triggered %	NPAT (i) Threshold \$'000	% of STI Triggered %			
<\$26,200	Nil	<\$20,000	nil			
\$26,200	50%	\$20,000	50%			
\$26,201 - \$29,999	50% - 100%	\$20,001 - \$21,999	50% - 100%			
>\$30,000	100%	>\$22,000	100%			

(i) (Derivation of NPAT for the purposes of calculating the STI payment is determined excluding the impact of applying AASB 141 Agriculture).

The Chief Executive Officer and senior Executives received 72% (2008: 53%) of their respective FY2009 maximum STI entitlements.

The Board considers the FY2009 NPAT thresholds represented significant and challenging uplifts on the prior year's equivalents, particularly given the magnitude of the Global Financial Crisis.

(iv) Variable remuneration - Long-term Incentives ("LTI")

The Company's LTI Plan has been designed to link employee reward with key performance indicators that drive sustainable growth in shareholder value over the long term. The objectives of the LTI Plan are to:

- align the Chief Executive Officer's and senior Executives' incentives with shareholders' interests;
- balance the short term with the long term Company focus; and
- retain high calibre senior employees by providing an attractive equity-based incentive that builds an ownership of the Company mindset.

Under the LTI Plan, the Chief Executive Officer and senior Executives are granted performance rights which will only vest on the achievement of certain performance hurdles and service conditions. An offer may be made under the LTI Plan to the Chief Executive Officer and senior Executives each financial year and is based on individual performance as assessed by the annual appraisal process. If a senior Executive does not sustain a consistent level of high performance they will not be nominated for LTI Plan participation. The Remuneration and Nominations Committee reviews all nominated senior Executives with participation subject to final Board approval. In accordance with the ASX Listing Rules approval from shareholders is obtained before participation in the LTI Plan commences for the Managing Director.

Each grant of performance rights is subject to specific performance hurdles. The extent to which the performance hurdles have been met will be assessed by the Board at the expiry of a three year Performance Period.



The Board has retained the discretion to vary the performance hurdles and criteria for each offer under the LTI Plan. Once the Board has prescribed the performance hurdles for a specific offer under the LTI, those performance hurdles cannot be varied in respect of that offer.

Performance rights granted during the financial year ended 30 June 2009:

The performance hurdle for the grants of performance rights to the Chief Executive Officer and senior Executives in the financial year ended 30 June 2009 is based on Tassal Group Limited's EPS growth over the Performance Period of the three years from 30 June 2009 (being the "Base Year") to 30 June 2011 and is summarised as follows:

Earnings Per Share Hurdle ('EPS') (Applies to 100% of performance rights granted in the financial year ended 30 June 2009)

The EPS hurdle requires that the Company's EPS growth over the Performance Period must be greater than the target set by the Board. The EPS target growth rate is linked to the Company's Strategic Plan FY2015. The EPS hurdle was chosen as it provides evidence of the Company's growth in earnings. The hurdle is as follows:

- if the compound average annual EPS growth rate over the Performance Period compared to the Base Year is less than 15% no performance rights will vest with the Executives;
- if the compound average annual EPS growth rate over the Performance Period compared to the Base Year is equal to 15% but less than 20%, the portion of performance rights vesting with the Executive will be increased on a pro-rata basis between 50% and 100%; or
- if the compound average annual EPS growth rate over the Performance Period compared to the Base Year is equal or greater than 20%, all of the performance rights granted (and attached to this hurdle) will vest with the Executive.

The minimum and maximum percentage of the Chief Executive Officer's and named senior Executives' fixed annual remuneration applicable to performance rights granted during the financial year ended 30 June 2009 is detailed below.

Executive	Minimum LTI calculated on fixed annual remuneration*	Maximum LTI calculated on fixed annual remuneration*
M. Ryan	12.50%	50.00%
N Burrows	7.50%	30.00%
M. Asman	10.00%	35.00%
D Williams	2.50%	10.00%
DT VVIIIGATIO		
N. Petracca	7.50%	30.00%
K. Little	7.50%	30.00%
A. Sloman	2.50%	10.00%

^{*} Fixed annual remuneration is comprised of base salary, superannuation and benefits provided through salary sacrificing arrangements.

Performance rights granted during the financial year ended 30 June 2008:

The performance hurdle for the grants of performance rights to the Chief Executive Officer and senior Executives in the financial year ended 30 June 2008 is based on Tassal Group Limited's EPS growth over the Performance Period of the three years from 30 June 2007 (being the "Base Year") to 30 June 2010 and is summarised as follows:

Earnings Per Share Hurdle ('EPS') (Applies to 100% of performance rights granted in the financial year ended 30 June 2008)

The EPS hurdle requires that the Company's EPS growth over the Performance Period must be greater than the target set by the Board. The EPS target growth rate is linked to the Company's Strategic Plan FY2015. The EPS hurdle was chosen as it provides evidence of the Company's growth in earnings. The hurdle is as follows:

- if the compound average annual EPS growth rate over the Performance Period compared to the Base Year is less than 30% no performance rights will vest with the Executives;
- if the compound average annual EPS growth rate over the Performance Period compared to the Base Year is equal to 30% but less than 35%, the portion of performance rights vesting with the Executive will be increased on a pro-rata basis between 50% and 100%; or
- if the compound average annual EPS growth rate over the Performance Period compared to the Base Year is equal or greater than 35%, all of the performance rights granted (and attached to this hurdle) will vest with the Executive.

It is not expected that the above performance hurdle for performance rights granted during the financial year ended 30 June 2008 will be satisfied and accordingly it is not expected that the performance rights will vest on 30 June 2010.

Performance rights to be granted for the financial year ended 30 June 2010:

Since the end of the financial year, the Board has approved the following LTI Plan dual performance hurdle structure for performance rights to be granted during the financial year ended 30 June 2010.

The performance hurdles for the grants of performance rights to the Chief Executive Officer and senior Executives in the financial year ended 30 June 2010 will be based on Tassal Group Limited's EPS and TSR growth over the Performance Period of the three years from 30 June 2009 (being the "Base Year") to 30 June 2012 (with the Chief Executive Officer's offer subject to shareholder approval at the forthcoming 2009 Annual General Meeting) and are summarised as follows:

Earnings Per Share Hurdle ('EPS') (Applies to 50% of performance rights granted in the financial year ended 30 June 2010)

Tassal Group Limited and Controlled Entities

20. Remuneration Report - Audited (cont.)

(f) Components of Compensation – Chief Executive Officer and Other Key Management Personnel (cont.)

(iv) Variable remuneration – Long-term Incentives ("LTI") (cont.)

The EPS hurdle requires that the Company's EPS growth over the Performance Period must be greater than the target set by the Board. The EPS target growth rate is linked to the Company's Strategic Plan FY2015. The EPS hurdle was chosen as it provides evidence of the Company's growth in earnings. The hurdle is as follows:

- if the compound average annual EPS growth rate over the Performance Period compared to the Base Year is less than 10% no performance rights will vest with the Executives;
- if the compound average annual EPS growth rate over the Performance Period compared to the Base Year is equal to 10% but less than 20%, the portion of performance rights vesting with the Executive will be increased on a pro-rata basis between 50% and 100%; or
- if the compound average annual EPS growth over the Performance Period compared to the Base Year is equal or greater than 20%, all of the performance rights granted (and attached to this hurdle) will vest with the Executive.

Total Shareholder Return Hurdle ('TSR') (Applies to 50% of performance rights granted in the financial year ended 30 June 2010)

The TSR hurdle requires that the growth in the Company's TSR must be at or above the median of the Company's comparator group (the "comparator group"). The comparator group is S&P/ASX 300. Growth in TSR is defined as share price growth and dividends paid and reinvestment on the ex-dividend date (adjusted for rights, bonus issues and any capital reconstructions) measured from the time of issue to the time of vesting.

The TSR performance hurdle was chosen as it is recognised as an indicator of shareholder value creation. The comparator group for TSR purposes has been chosen as it represents the group with whom the Company competes for shareholders' capital. The hurdle is as follows:

- if Tassal's TSR performance over the Performance Period is below the TSR of the entity which is at the median (50th percentile) of the comparator group of entities ranked by their TSR performance, no performance rights will vest with the Executives;
- if Tassal's TSR performance over the Performance Period is between the 50th percentile and 75th percentile of the comparator group of companies ranked by their TSR performance, the proportion of performance rights vesting with the Executive will be increased on a pro-rata basis between 50% and 100%; or
- if Tassal's TSR performance over the Performance Period is equal to or above the TSR of the entity which is at the 75th percentile of the comparator group of entities ranked by their TSR performance, all of the performance rights (and attached to this hurdle) will vest with the Executive.

The TSR calculation, once completed, will be independently reviewed.

The Board considers that the selection and structuring of both absolute (EPS) and relative (TSR) performance hurdles provides a suitably balanced approach to creating long term shareholder value whilst ensuring that rewards reflect sustainable performance results.

The performance hurdles have been aligned with the performance expectations underlying the delivery of the Company's Strategic Plan FY2015.

(v) Contract for services - Chief Executive Officer

The structure of the Chief Executive Officer's compensation is in accordance with his employment agreement. The Chief Executive Officer's employment contract is for an indefinite term. The Company may terminate the contract by providing six months notice and the Chief Executive Officer may terminate the contract by providing three months notice to the Company. There are no termination benefits beyond statutory leave and superannuation obligations associated with the Chief Executive Officer's termination in accordance with these notice requirements or in circumstances where notice is not required pursuant to his employment agreement.

(vi) Contract for services - Senior Executives

At the date of this report there are no formal contracts for services in place in respect of other Senior Executives.

(g) Key Management Personnel Compensation

(i) Identity of Key Management Personnel

The following were Key Management Personnel of the consolidated entity at any time during the financial year and unless otherwise indicated were Key Management Personnel for the entire period:

Directors:

Name	Title
A. McCallum	Chairman, Non-executive Director
M. Ryan	Chief Executive Officer and Managing Director
C. Bright	Non-executive Director (resigned 30 September 2008)
D. Groves	Non-executive Director
J. Monk	Non-executive Director
R. Roberts	Non-executive Director
D. Robinson	Non-executive Director (appointed 30 September 2008, resigned 20 November 2008)
J. Watson	Non-executive Director

Other Key Management Personnel:

Name	Title
N. Burrows	Company Secretary and Chief Financial Officer
M. Asman	Chief Operating Officer
D. Williams	Chief of Sales and Marketing
N. Petracca	Chief Risk Officer
K. Little	General Manager – Human Resources and Quality

(ii) Compensation of Key Management Personnel and Executive Officers

Details of the nature and amount of each major element of the remuneration of each Director of the Company and each of the named Executive Officers of the Company and the consolidated entity receiving the highest remuneration are set out below. In accordance with the requirements of AASB 124 'Related Party Disclosures', the remuneration tables are calculated on an accrual basis and only includes remuneration relating to the portion of the relevant periods that each individual was a Director or Executive Officer of the Company.

		Short-term employment benefits			Post employment		Share-based payment		Other	
Directors:			Salary Non- & Fees¹ Bonus² monetary \$ \$		Super- annuation Benefits \$ \$		Equity Perforsettled mance Shares 4 Rights 5 \$		Termin- ation ⁶ Benefits	Total \$
C. Bright (resigned 30 September 2008)	2009 2008	14,401 54,863	-	-	1,296 4,938	-	<u>-</u> -	-	-	15,697 59,801
D. Groves	2009 2008	60,093 54,863	-	-	5,408 4,938	-	-	-	-	65,501 59,801
A. McCallum (Chairman)	2009 2008	136,825 111,826	-	-	12,314 10,064	-	-	-	-	149,139 121,890
J. Monk	2009 2008	61,606 54,863	-	-	5,544 4,938	-	-	-	-	67,150 59,801
R. Roberts	2009 2008	56,093 54,863	-	-	5,042 2,881	-	-	-	-	61,135 57,744
D. Robinson (appointed 30 September 2008, resigned 20 November 2008)	2009 2008	8,682		-	782	-	- -	<u>.</u>	- -	9,464
M. Ryan - Chief Executive Officer	2009 2008	473,746 432,769	222,849 148,252	4,611 8,737	38,829 36,605	-	-	70,810 129,809	-	810,845 756,172
J. Watson	2009 2008	70,850 60.113	-	-	6,376 5.410	-	-	-	-	77,226 65.523

Tassal Group Limited and Controlled Entities

20. Remuneration Report - Audited (cont.)

- (g) Key Management Personnel Compensation (cont.)
- (ii) Compensation of Key Management Personnel and Executive Officers (cont.)

Executive Officers:		Short-term employment benefits			Post employment		Share-based payment		Other	
		Salary & Fees ¹ \$	ees¹ Bonus²	Non- ² monetary ³	y ³ annuation	annuation Benefits	Equity settled shares 4	Performance Rights 5	Termin- ation Benefits ⁶	Total
Mr M. Asman*	2009 2008	264,585 201,033	103,166 61,183	-	20,649 16,998	-	-	21,807 40,856	-	410,207 320,070
Mr D. Williams*	2009 2008	201,383 196,642	105,386 48,947	14,715 14,146	17,893 16,998	-	- -	14,306 38,572	-	353,683 315,305
Mr N. J. Burrows*	2009 2008	205,691 207,721	68,919 48,947	5,191 4,051	18,483 17,890	-	- -	20,415 38,572	-	318,699 317,181
Mr N. Petracca*	2009 2008	191,977 191,664	62,482 44,375	4,697 3,598	15,866 15,327	-	-	18,509 34,969	-	293,531 289,933
A. Sloman	2009 2008	166,222 152,870	81,802 39,893	3,645 3,801	13,211 14,943	-	-	(7,599) 10,040	-	257,281 221,547
Kaylene Little*	2009 2008	150,236 144,464	49,701 35,298	1,039	12,428 11,994	-	-	14,723 27,816	-	228,127 219,572
Total	2009	2,062,390	694,305	33,898	174,121	-	-	152,971	-	3,117,685
Total	2008	1,918,554	426,895	34,333	163,924	-	-	320,634	-	2,864,340

(* Designated Key Management Personnel)

No Directors or Executive Officer appointed during the period received a payment as part of his or her consideration for agreeing to hold the position.

(The elements of the remuneration packages in the above table have been determined on a cost to the Company and the consolidated entity basis and reflect the relevant respective periods of service).

- (1) Salary and fees includes salary and leave on an accruals basis.
- (2) Cash bonuses relate to performance bonuses and amounts payable pursuant to the Company's Short-term Incentive Plan (STI). The Chief Executive Officer and other Executive Officers received 72% (2008: 53%) of their respective STI maximum entitlement based on the STI percentages disclosed in section f (iii) of the Remuneration Report.
- (3) Non-monetary benefits include sundry benefits relating to Fringe Benefits Tax.
- (4) The notional value ascribed to the ordinary share component of the Chief Executive Officer's remuneration package pursuant to his employment contract, together with the variation inputs and methodology used by an independent actuary in their determination.
- (5) Performance rights valuation has been determined in line with the requirements of AASB 2 'Share-based Payments'. AASB 2 requires the measurement of the fair value of the performance rights at the grant date and then to have that value apportioned in equal amounts over the period from grant date to vesting date. A value has been placed on performance rights using a Monte Carlo simulation model. Details of performance rights on issue are set out in the following tables.
- (6) Termination benefits include notice or redundancy payments where applicable.

Analysis of LTI performance rights granted as remuneration

Details of the vesting profile of the performance rights granted as remuneration to the Chief Executive Officer and each of the named Executive officers are summarised below:

Performance rights granted during the financial year ended 30 June 2009

						Value yet t	o vest
	Number	Grant date	Vested during the year %	Forfeited during the year ¹	Year in which the grant vests	Minimum ²	Maximum ³
Director:							
M. Ryan	97,413	6 Nov 2008	-	-	30 June 2011	Nil	151,125
Executive Officers:							
N. Burrows	27,114	6 Nov 2008	-	-	30 June 2011	Nil	42,064
M. Asman	37,881	6 Nov 2008	-	-	30 June 2011	Nil	58,768
K. Little	19,553	6 Nov 2008	-	-	30 June 2011	Nil	30,334
N. Petracca	24,581	6 Nov 2008	-	-	30 June 2011	Nil	38,135
D. Williams	9,213	6 Nov 2008	-	-	30 June 2011	Nil	14,293
A. Sloman	7,152	6 Nov 2008	-	-	30 June 2011	Nil	11,095

- (1) The % forfeited in the year represents the reduction from the maximum number of performance rights available to vest due to performance criteria not being achieved.
- (2) The minimum value of performance rights yet to vest is \$nil as the performance criteria may not be met and consequently the right may not vest.
- (3) The maximum values presented above represents an estimate of the maximum possible value of the performance rights to be recognised based on the fair value at grant date of \$1.55138.



Performance rights granted during the financial year ended 30 June 2008

						Value yet t	o vest
	Number	Grant date	Vested during the year %	Forfeited during the year ¹	Year in which the grant vests	Minimum ²	Maximum ³
Director:							
M. Ryan	66,771	2 Nov 2007	-	-	30 June 2010	Nil	Nil
Executive Officers:							
N. Burrows	19,841	2 Nov 2007	-	-	30 June 2010	Nil	Nil
M. Asman	23,147	2 Nov 2007	-	-	30 June 2010	Nil	NII
K. Little	14,308	2 Nov 2007	-	-	30 June 2010	Nil	NII
N. Petracca	17,987	2 Nov 2007	-	-	30 June 2010	Nil	NII
D. Williams	19,841	2 Nov 2007	-	-	30 June 2010	Nil	NII
A. Sloman	14,535	2 Nov 2007	-	-	30 June 2010	Nil	NII

- (1) The % forfeited in the year represents the reduction from the maximum number of performance rights available to vest due to performance criteria not being achieved.
- (2) The minimum value of performance rights yet to vest is \$nil as the performance criteria may not be met and consequently the right may not vest.
- (3) The maximum values presented above represents an estimate of the maximum possible value of the performance rights to be recognised based on the fair value at grant date of \$3.5424. It is not expected that the performance rights will vest as the performance criteria are not expected to be met at the vesting date.

Performance rights granted during the financial year ended 30 June 2007

	Number	Grant date	Vested during the year %	Forfeited during the year ¹	Year in which the grant vests	Value vested during the year ^{2,4} \$	Value lapsed during the year ³
Director:							
M. Ryan	189,264	3 Nov 2006	90%	10%	30 June 2009	262,592	29,177
Executive Officers:							
N. Burrows	56,238	3 Nov 2006	90%	10%	30 June 2009	78,027	8,669
M. Asman	56,238	3 Nov 2006	90%	10%	30 June 2009	78,027	8,669
K. Little	40,557	3 Nov 2006	90%	10%	30 June 2009	56,270	6,251
N. Petracca	50,986	3 Nov 2006	90%	10%	30 June 2009	70,740	7,860
D. Williams	56,238	3 Nov 2006	90%	10%	30 June 2009	78,027	8,669

- (1) The % forfeited in the year represents the reduction from the maximum number of performance rights available to vest due to performance criteria not being achieved.
- (2) The value of the performance rights vested based on the fair value at grant date of \$1.54160.
- (3) The value of performance rights lapsed as the performance criteria were not met and consequently the right did not vest, based on the fair value at grant date of \$1.54160
- (4) An equivalent number of fully paid ordinary shares in respect of the performance rights granted during the year ended 30 June 2007 and which vested on 30 June 2009 were issued on 15 September 2009, pursuant to the Company's Long-term Incentive Plan.

21. Rounding off of Amounts

The Company is of a kind referred to in ASIC Class Order 98/0100 dated 10 July 1998 and in accordance with that Class Order, amounts in the Annual Financial Report and the Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of Directors made pursuant to section 298(2) of the Corporations Act 2001.

On behalf of the Directors

A.D. McCallum Chairman

Hobart, this 30th day of September 2009



Auditor's Independence Declaration

Tassal Group Limited and Controlled Entities

Deloitte.

The Board of Directors Tassal Group Limited 2 Salamanca Square Hobart Tasmania, 7000

30 September 2009

Dear Board Members

Deloitte Touche Tohmatsu A.B.N. 74 490 121 060

ANZ Centre Level 9 Hobart Tas 7000 GPO Box 777 Hobart Tas 7001 Australia

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Tassal Group Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of Tassal Group Limited.

As lead audit partner for the audit of the financial statements of Tassal Group Limited for the financial year ended 30 June 2009, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloite Touche Tohnutze

Deloitte Touche Tohmatsu

D Harradine Partner

Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.

Deloitte Touche Tohmatsu



37

Table of Contents

Tassal Group Limited and Controlled Entities

Income Statement	38
Balance Sheet	39
Statement of Changes in Equity	40 – 41
Cash Flow Statement	42
Notes to the Financial Statements	43 – 86
Directors' Declaration	87
Independent Auditor's Report	88
Additional Stock Exchange Information	89 – 90

38 Income Statement

For the Year Ended 30 June 2009

Tassal Group Limited and Controlled Entities

	Note	Consolidated 2009	Consolidated 2008	Company 2009	Company 2008
		\$'000	\$'000	\$'000	\$'000
Revenue	3(a)	354,391	285,745	11,148	7,916
Other income	3(b)	2,931	2,138	-	-
Share of profits of associates and jointly controlled entities accounted for using the equity method	12	459	428	-	-
Changes in inventories of finished goods and work in progress		11,072	4,129	-	-
Raw materials and consumables used		(270,829)	(214,408)	-	-
Employee benefits expense	3(c)	(30,946)	(26,933)	-	-
Depreciation and amortisation expense	3(c)	(8,029)	(7,376)	-	-
Finance costs	3(c)	(2,787)	(4,114)	-	-
Other expenses		(17,150)	(12,566)	-	-
Profit before income tax expense		39,112	27,043	11,148	7,916
Income tax expense	4	(9,028)	(6,576)	-	-
Net profit for the period attributable to members of the Company		30,084	20,467	11,148	7,916

	Note	Cents per share	Cents per share	
		2009	2008	
Earnings per ordinary share:				
Basic (cents per share)	30	22.20	16.46	
Diluted (cents per share)	30	22.09	16.39	

Balance Sheet As at 30 June 2009

Tassal Group Limited and Controlled Entities

	Note	Consolidated 2009	Consolidated 2008	Company 2009	Company 2008
		\$'000	\$'000	\$'000	\$'000
Current Assets					
Cash and cash equivalents		3,682	7,093	-	-
Trade and other receivables	7	23,590	19,391	113,451	105,216
Inventories	8	48,311	37,239	-	-
Biological assets	9	100,169	83,289	-	-
Other financial assets	10	511	847	-	-
Other	- 11	792	906	-	-
Total Current Assets		177,055	148,765	113,451	105,216
Non-Current Assets					
Investments accounted for using the equity method	12	7,907	7,439	-	-
Other financial assets	13	124	135	28,119	28,119
Property, plant and equipment	14	129,170	85,095	-	-
Deferred tax assets	4	-	-	1,953	5,464
Goodwill	15	14,851	14,851	-	-
Other intangible assets	16	24,184	23,118	-	-
Other	17	583	467	-	-
Total Non-Current Assets		176,819	131,105	30,072	33,583
Total Assets		353,874	279,870	143,523	138,799
Current Liabilities					
Trade and other payables	19	35,442	29,133	-	-
Borrowings	20	26,193	16,119	-	-
Other financial liabilities	21	2,186	-	-	-
Current tax liability	4	194	-	194	-
Provisions	22	3,812	2,932	-	-
Other	23	266	306	-	-
Total Current Liabilities		68,093	48,490	194	-
Non-Current Liabilities					
Borrowings	24	47,566	23,567	-	-
Deferred tax liabilities	4	26,327	18,052	-	-
Provisions	25	623	646	-	-
Other	26	18	27	-	-
Total Non-Current Liabilities		74,534	42,292	-	-
Total Liabilities		142,627	90,782	194	-
Net Assets		211,247	189,088	143,329	138,799
Equity					
Issued capital	27	139,605	136,272	139,605	136,272
Reserves	28	4,163	5,286	809	625
Retained earnings	29	67,479	47,530	2,915	1,902
Total Equity		211,247	189,088	143,329	138,799

40 Statement of Changes in Equity

For the Year Ended 30 June 2009

Tassal Group Limited and Controlled Entities

Consolidated

	Issued capital	Asset revaluation reserve	Hedging reserve	Equity-settled employee benefits reserve	Retained earnings	Total attributable to equity holders of the entity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2007	65,560	4,632	349	160	34,259	104,960
Loss on cash flow hedge	-	-	(26)	-	-	(26)
Related income tax	-	-	8	-	-	8
Net income recognised directly in equity	-	-	(18)	-	-	(18)
Transfers (net of any related tax)						
Transfer to profit or loss on cash flow hedges	-	-	(302)	-	-	(302)
Profit for the period	-	-	-	-	20,467	20,467
Total recognised income and expense for the period	-	-	(320)	-	20,467	20,147
Issue of shares pursuant to Dividend Re-investment Plan	4,611	-	_	-	_	4,611
Issue of shares pursuant to share placement	67,235	-	-	-	-	67,235
Share placement costs	(1,620)	-	-	-	-	(1,620)
Recognition of share-based payments	-	-	-	397	-	397
Payment of dividends	-	-	-	-	(7,196)	(7,196)
Related income tax	486	-	-	68	-	554
Balance as at 30 June 2008	136,272	4,632	29	625	47,530	189,088
Balance as at 1 July 2008	136,272	4,632	29	625	47,530	189,088
Loss on cash flow hedge	-	-	(2,228)	-	-	(2,228)
Related income tax	-	-	668	-	-	668
Net income recognised directly in equity	-	-	(1,560)	-	-	(1,560)
Transfers (net of any related tax)						
Transfer to profit or loss on cash flow hedges	-	-	253	-	-	253
Profit for the period	-	-	-	-	30,084	30,084
Total recognised income and expense for the period	-	-	(1,307)	-	30,084	28,777
Issue of shares pursuant to Dividend Re-investment Plan	3,333	-	-	-	-	3,333
Recognition of share-based payments	-	-	-	184	-	184
Payment of dividends	-	-	-	-	(10,135)	(10,135)
Balance as at 30 June 2009	139,605	4,632	(1,278)	809	67,479	211,247

Company

	Issued capital	Asset revaluation reserve	Hedging reserve	Equity-settled employee benefits reserve	Retained earnings	Total attributable to equity holders of the entity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2007	65,560	-	-	160	1,182	66,902
Profit for the period	-	-	-	-	7,916	7,916
Total recognised income and expense for the period	-	-	-	-	7,916	7,916
Issue of shares pursuant to Dividend Reinvestment Plan	4,611	-	-	-	-	4,611
Issue of shares pursuant to share placement	67,235	-	-	-	-	67,235
Share placement costs	(1,620)	-	-	-	-	(1,620)
Recognition of share-based payments	-	-	-	397	-	397
Payment of dividends	-	-	-	-	(7,196)	(7,196)
Related income tax	486	-	-	68	-	554
Balance as at 30 June 2008	136,272	-	-	625	1,902	138,799
Balance as at 1 July 2008	136,272	-	_	625	1,902	138,799
Profit for the period	-	-	-	-	11,148	11,148
Total recognised income and expense for the period	-	-	-	-	11,148	11,148
Issue of shares pursuant to Dividend Reinvestment Plan	3,333	-	-	-	_	3,333
Recognition of share-based payments	-	-	-	184	-	184
Payment of dividends	-	-	-	-	(10,135)	(10,135)
Balance as at 30 June 2009	139,605	-	-	809	2,915	143,329

42 Cash Flow Statement For the Year Ended 30 June 2009

Tassal Group Limited and Controlled Entities

	Note	Consolidated 2009	Consolidated 2008	Company 2009	Company 2008
		\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities					
Receipts from customers		220,079	175,063	-	=
Payments to suppliers and employees		(192,401)	(162,307)	-	=
Interest received		139	385	-	=
Interest and other costs of finance paid		(3,831)	(4,114)	-	=
Net cash provided by operating activities	39(b)	23,986	9,027	-	=
Cash Flows from Investing Activities					
Payment for property, plant and equipment		(53,475)	(29,067)	-	=
Proceeds from sale of property, plant and equipment		26	352	_	-
Advance from/(to) controlled entities		-	-	6,802	(63,030)
Payment for investments		-	(641)	-	- -
Payment for intangible assets		(1,066)	(23,118)	-	-
Additional interests acquired in associates and jointly controlled entities		(9)	-	_	-
Payment for other non-current assets		(144)	=	-	=
Net cash (used in)/provided by investing activities		(54,668)	(52,474)	6,802	(63,030)
Cash Flows from Financing Activities					
Dividend paid – members of parent entity		(6,802)	(2,585)	(6,802)	(2,585)
Proceeds from borrowings		42,222	17,428	-	-
Repayment of borrowings		(8,149)	(30,862)	-	-
Proceeds from issue of equity securities		-	67,235	_	67,235
Payment for share issue costs		-	(1,620)	-	(1,620)
Net cash (used in)/ provided by financing activities		27,271	49,596	(6,802)	63,030
Net increase in cash and cash equivalents held		(3,411)	6,149	-	-
Cash and cash equivalents at the beginning of the financial year		7,093	944	-	-
Cash and cash equivalents at the end of the financial year	39(a)	3,682	7,093		

For the Year Ended 30 June 2009

Tassal Group Limited and Controlled Entities

Contents

- 1. Summary of Accounting Policies
- 2. Subsequent Events
- 3. Profit for the Year Before Tax
- 4. Income Taxes
- 5. Key Management Personnel Compensation
- 6. Remuneration of Auditors
- 7. Current Trade and Other Receivables
- 8. Current Inventories
- 9. Biological Assets
- 10. Other Current Financial Assets
- 11. Other Current Assets
- 12. Investments Accounted for Using the Equity Method
- 13. Other Non-current Financial Assets
- 14. Property, Plant and Equipment
- 15. Goodwill
- 16. Other Intangible Assets
- 17. Other Non-current Assets
- 18. Assets Pledged as Security
- 19. Current Trade and Other Payables
- 20. Current Borrowings

- 21. Other Current Financial Liabilities
- 22. Current Provisions
- 23. Other Current Liabilities
- 24. Non-current Borrowings
- 25. Non-current Provisions
- 26. Other Non-current Liabilities
- 27. Issued Capital
- 28. Reserves
- 29. Retained Earnings
- 30. Earnings Per Share (EPS)
- 31. Dividends
- 32. Commitments for Expenditure
- 33. Leases
- 34. Contingent Liabilities and Contingent Assets
- 35. Investments in Controlled Entities
- 36. Segment Information
- 37. Seasonality
- 38. Related Party Disclosures
- 39. Notes to the Cash Flow Statement
- 40. Financial Instruments

44

Notes to the Financial Statements

For the Year Ended 30 June 2009 (cont.)

Tassal Group Limited and Controlled Entities

1. Summary Of Accounting Policies Statement of Compliance

The Annual Financial Report is a general purpose financial report and has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law. Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with A-IFRS ensures that the financial statements and notes of the consolidated entity and Company comply with International Financial Reporting Standards ('IFRS').

The Annual Financial Report includes separate financial statements of the Company and the consolidated entity.

The Annual Financial Report was authorised for issue by the Directors on 30 September 2009.

Basis of Preparation

The Annual Financial Report has been prepared on the basis of historic cost except for biological assets which are measured at net market value, and, if relevant for the revaluation of certain non-current assets and financial instruments, and except where stated, does not take into account changing money values or current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

All amounts are presented in Australian Dollars, unless otherwise noted.

The Company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the Annual Financial Report are rounded to the nearest thousand dollars, unless otherwise indicated.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the consolidated entity's accounting policies, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and various other factors, including expectations of future events, that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of consolidated entity's accounting policies that have significant effects on the Annual Financial Report and estimates with

a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements. They include the following:

- Goodwill (refer to note 15)
- Brand names (refer to note 16)
- Biological assets (refer to note 9)

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2009, and the comparative information presented in these financial statements.

Adoption of New and Revised Accounting Standards

In the current financial year, the consolidated entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the annual reporting period.

The adoption of these Standards and Interpretations did not have any effect on the disclosures in this condensed financial report and did not have any effect on the financial position or performance of the Group.

Early Adoption of Accounting Standards

The Directors have elected under s.334 (5) of the Corporations Act 2001 to apply AASB 123 Borrowing Costs (revised) and AASB 2007-6 Amendments to Accounting Standards arising from AASB 123 with effect from 1 July 2008, even though the Standards are not required to be applied until annual reporting periods beginning on or after 1 January 2009. AASB 123 Borrowing Costs (revised) eliminates the option of expensing borrowing costs related to qualifying assets, instead requiring capitalisation. This has resulted in the consolidated entity capitalising borrowing costs associated with biological assets instead of expensing these costs (as occurred in previous reporting periods). Transitional provisions require prospective application to borrowing costs relating to qualifying assets and as such prior reporting periods are not required to be and have not been reinstated to take account of this change in accounting policy.

For the year ended 30 June 2009 this change in accounting policy resulted in decreasing finance costs presented in the Income Statement by \$0.982 million, increasing raw materials and consumables used presented in the Income Statement by \$0.431 million, while the gain on applying AASB 141 disclosed in note 3 of this Annual Financial Report decreased \$0.551 million. The adoption of this accounting policy has not had any effect on the Balance Sheet.

Standards and Interpretations Issued Not Yet Effective

At the date of authorisation of the Annual Financial Report, a number of Standards and Interpretations were in issue but not yet effective.

Initial application of the following Standards is not expected to have any material impact on the financial report of the consolidated entity or Company. However, some standards may result in changing the disclosures presently made in relation to the Annual Financial Report:

- AASB 101 Presentation of Financial Statements (revised September 2007), AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101, effective for annual reporting periods beginning on or after 1 January 2009.
- AASB 8 Operating Segments, AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8, effective for annual reporting periods beginning on or after 1 January 2009.
- AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101, effective for annual reporting periods beginning on or after 1 January 2009.
- AASB 2008-1 Amendments to Australian Accounting Standard - Share-based Payments: Vesting Conditions and Cancellations, effective for annual reporting periods beginning on or after 1 January 2009.
- IFRS 3 Business Combinations (revised), IAS 27 Consolidated and Separate Financial Statements (revised), effective for annual reporting periods beginning on or after 1 July 2009.
- Amendments to IFRS 2 Share-based Payment, effective for annual reporting periods beginning on or after 1 January 2009.
- AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project, effective for annual reporting periods beginning on or after 1 January 2009.
- AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project, effective for annual reporting periods beginning on or after 1 January 2009.
- AASB 2008-7 Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate, effective for annual reporting periods beginning on or after 1 January 2009.
- AASB 2009-2 Amendments to Australian Accounting Standards - Improving Disclosures about Financial Instruments, effective for annual reporting periods beginning on or after 1 January 2009.

- AASB 2009-4 Amendments to Australian Accounting Standards arising from the Annual Improvements Project, applies to annual reporting periods beginning on or after 1 July 2009.
- AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project, applies to annual reporting periods beginning on or after 1 January 2010.
- AASB 2009-6 Amendments to Australian Accounting Standards, effective for annual reporting periods beginning on or after 1 January 2009 that end on or after 30 June 2009.
- AASB 2009-7 Amendments to Australian Accounting Standards, effective for annual reporting periods beginning on or after 1 July 2009.
- AASB 2009-8 Amendments to Australian Accounting Standards - Group Cash-Settled Share-based Payment Transactions, effective for annual reporting periods beginning on or after 1 January 2010 and must be applied retrospectively.

Significant Accounting Policies

The following significant accounting policies have been adopted in the preparation and presentation of the Annual Financial Report:

(a) Basis of Consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the consolidated entity, being the Company (the parent entity) and its subsidiaries as defined in Accounting Standard AASB 127 'Consolidated and Separate Financial Statements' (the "Group"). Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If, after reassessment, the fair values of the identifiable net assets acquired exceeds the cost of acquisition, the difference is credited to profit or loss in the period of acquisition.

The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised.

The consolidated financial statements include the information and results of each subsidiary from the date on which the Company obtains control and until such time as the Company ceases to control such entities. In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the consolidated entity are eliminated in full.

46

Notes to the Financial Statements

For the Year Ended 30 June 2009 (cont.)

Tassal Group Limited and Controlled Entities

1. Summary Of Accounting Policies (cont.)

(b) Borrowings

Borrowings are recorded initially at fair value, net of transaction costs.

Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the borrowing using the effective interest rate method.

(c) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(d) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(e) Derivative Financial Instruments

The Company and consolidated entity use derivative financial instruments, principally foreign exchange and interest rate related, to reduce their exposure to movements in foreign exchange rate and interest rate movements. Further details of derivative financial instruments are disclosed in note 40 to the financial statements.

The consolidated entity has adopted certain principles in relation to derivative financial instruments:

- it does not trade in a derivative that is not used in the hedging of an underlying business exposure of the consolidated entity; and
- derivatives acquired must be able to be recorded on the consolidated entity's treasury management systems, which contain appropriate internal controls.

The Company and consolidated entity follow the same credit policies, legal processes, monitoring of market and operational risks in the area of derivative financial instruments, as they do in relation to financial assets and liabilities on the balance sheet, where internal controls operate.

On a continuing basis, the consolidated entity monitors its future exposures and on some occasions hedges all or part of these exposures. The transactions which may be covered are future

foreign exchange requirements and interest rate positions.

These exposures are then monitored and may be modified from time to time. The foreign exchange hedge transactions do not exceed 24 months duration and hedge operational transactions the consolidated entity expects to occur in this time frame. Interest rate derivative instruments can be for periods up to 3-5 years as the critical terms of the instruments are matched to the life of the borrowings.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event, the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

The consolidated entity designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges) or hedges of highly probable forecast transactions (cash flow hedges).

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that is attributable to the hedged risk.

Hedge accounting is discontinued when the hedge instrument expires or is sold, terminated, exercised, or no longer qualifies for hedge accounting. The adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss as part of other expenses or other income.

Amounts deferred in equity are recycled in profit or loss in the periods when the hedged item is recognised in profit or loss. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss deferred in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in profit or loss.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in profit or loss.

(f) Employee Benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to reporting date.

Contributions to defined contribution superannuation plans are expensed when incurred.

(g) Financial Assets

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Subsequent to initial recognition, investments in subsidiaries are measured at cost. Subsequent to initial recognition, investments in associates are accounted for under the equity method in the consolidated financial statements and the cost method in the Company financial statements.

Other financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held-to-maturity' investments and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Held-to-maturity investments

Bills of exchange and debentures are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Loans and receivables

Trade receivables, loans, and other receivables are recorded at amortised cost using the effective interest method less impairment.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(h) Financial Instruments Issued by the Consolidated Entity Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial guarantee contract liabilities

Financial guarantee contract liabilities are measured initially at their fair values and subsequently at the higher of the amount recognised as a provision and the amount initially recognised less cumulative amortisation in accordance with the revenue recognition policies described in note 1 (v).

Financial liabilities

Financial liabilities are classified as either financial liabilities "at fair value through the profit or loss" or other financial liabilities.

Transaction costs on the issue of equity instruments

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

48

Notes to the Financial Statements

For the Year Ended 30 June 2009 (cont.)

Tassal Group Limited and Controlled Entities

1. Summary Of Accounting Policies (cont.)

(h) Financial Instruments Issued by the Consolidated Entity (cont.)

Interest and dividends

Interest and dividends are classified as expenses or as distributions of profit consistent with the balance sheet classification of the related debt or equity instruments or component parts of compound instruments.

(i) Foreign Currency

Foreign currency transactions

All foreign currency transactions during the period are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Exchange differences are recognised in profit or loss in the period in which they arise except that:

- exchange differences which relate to assets under construction for future productive use are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings; and
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (refer to note 1(e)).

(i) Goods and Service Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive
 of CST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(k) Goodwill

Goodwill acquired in a business combination is initially measured at its cost, being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. Goodwill is subsequently measured at its cost less any impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units (CGUs), or groups of CGUs, expected to benefit from the synergies of the business combination. CGUs (or groups of CGUs) to which goodwill has been allocated are tested for impairment annually, or more frequently if events or changes in circumstances indicated that goodwill might be impaired.

If the recoverable amount of the CGU (or group of CGUs) is less than the carrying amount of the CGU (or groups of CGUs), the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU (or groups of CGUs) and then to the other assets in the CGU (or groups of CGUs). An impairment loss recognised for goodwill is recognised immediately in profit or loss and is not reversed in a subsequent period.

On disposal of an operation within a CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal of the operation.

(I) Government Grants

Government grants are assistance by the government in the form of transfers of resources to the consolidated entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. Government grants include government assistance where there are no conditions specifically relating to the operating activities of the consolidated entity other than the requirement to operate in certain regions or industry sectors.

Government grants are not recognised until there is reasonable assurance that the consolidated entity will comply with the conditions attaching to them and the grants will be received.

Government grants whose primary condition is that the consolidated entity should purchase, construct or otherwise acquire long-term assets are recognised as deferred income in the balance sheet and recognised as income on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the consolidated entity with no future related costs are recognised as income of the period in which it becomes receivable.

(m) Impairment of Long-lived Assets Excluding Goodwill

At each reporting date, the consolidated entity reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease. Refer also note 1(t).

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease. Refer also note 1(t).

(n) Income Tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the consolidated entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company/consolidated entity intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

Tax consolidation

The Company and all its wholly-owned Australian resident entities are part of a tax-consolidated group under Australian taxation law. Tassal Group Limited is the head entity in the tax-consolidated group.

Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group are recognised by the Company (as head entity in the tax-consolidated group).

Due to the existence of a tax funding arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to or receivable by the Company and each member of the group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated group in accordance with the arrangement.

50

Notes to the Financial Statements

For the Year Ended 30 June 2009 (cont.)

Tassal Group Limited and Controlled Entities

1. Summary Of Accounting Policies (cont.)

(n) Income Tax (cont.)

Further information about the tax funding arrangement is detailed in note 4 to the financial statements. Where the tax contribution amount recognised by each member of the tax-consolidated group for a particular period is different to the aggregate of the current tax credits in respect of that period, the difference is recognised as a contribution from (or distribution to) equity participants.

(o) Intangible Assets

Research and development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible assets first meets the recognition criteria listed above.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Brand names

Brand names recognised by the Company have an indefinite useful life and are not amortised. Each period, the useful life of this asset is reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. Such assets are tested for impairment in accordance with the policy stated in note 1 (m).

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

(p) Inventories

The value attributed to non-living produce extracted is the net market value immediately after extraction. The net market value, less the costs of extraction, is recognised as revenue in the financial year in which the extraction occurs.

Other inventories are valued at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventory on hand by the method most appropriate to each particular class of inventory, with the majority being valued on a first in first out or weighted average cost basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

(q) Joint Ventures

Interests in jointly controlled entities are accounted for under the equity method in the consolidated financial statements and the cost method is used in the Company financial statements.

(r) Leased Assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the leasee. All other leases are classified as operating leases.

Consolidated entity as lessee

Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the consolidated entity's general policy on borrowing costs. Refer to note 1(c).

Finance leased assets are amortised on a straight line basis over the estimated useful life of the asset.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Lease incentives

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefits of incentives are recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(s) Payables

Trade payables and other accounts payable are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services.

(t) Property, Plant and Equipment

Land and buildings are measured at fair value. Fair value is determined on the basis of an independent valuation prepared by external experts and in conformance with Australian Valuation Standards. The fair values are recognised in the financial statements of the consolidated entity, and are reviewed at the end of each reporting period to ensure that the carrying value of land and buildings is not materially different from their fair values.

On 5 June 2007, an independent valuation of the consolidated entity's freehold land and freehold and leasehold buildings was performed by Mr M J Page [B.Bus.(Property)AAPI] to determine the fair value of land and buildings. Specialised land and buildings have been valued based on the depreciated replacement cost method. The valuation conforms to Australian Valuation Standards.

Any revaluation increase arising on the revaluation of land and buildings is credited to a revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense in profit or loss, in which case the increase is credited to the income statement to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of land and buildings is charged as an expense in profit or loss to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is charged to profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the revaluation reserve, net of any related taxes, is transferred directly to retained earnings.

Plant and equipment and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight line basis so as to write off the net cost or other re-valued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting period, with the effect of any change recognised on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The following estimated useful lives are used in the calculation of depreciation:

Buildings 25 – 50 years
 Plant and equipment 2 – 20 years

Equipment under finance lease
 2 – 20 years

(u) Provisions

Provisions are recognised when the consolidated entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

Onerous Contracts

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the consolidated entity has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Restructurings

A restructuring provision is recognised when the consolidated entity has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

Dividends

A provision is recognised for dividends when they have been approved at the reporting date.

For the Year Ended 30 June 2009 (cont.)

Tassal Group Limited and Controlled Entities

1. Summary Of Accounting Policies (cont.)

(v) Revenue Recognition

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the consolidated entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the consolidated entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Dividend and interest revenue

Dividend revenue from investments is recognised when the shareholder's right to receive payment has been established.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

(w) Share-based Payments

Equity-settled share-based payments with employees are measured at the fair value of the equity instrument at the grant date. Fair value is measured by use of a Monte Carlo simulation model, taking into account the terms and conditions upon which the equity-settled share-based payment were granted. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations. Further details on how the fair value of equity-settled share-based transactions has been determined can be found in note 5 (c) (i) to the financial statements.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the consolidated entity's estimate of shares that will eventually vest.

At each reporting date, the Group revises its estimates of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with corresponding adjustment to the equity-settled employee benefits reserve.

The above policy is applied to all equity-settled share-based payments that were granted after 7 November 2002 that vested after 1 January 2005. No amount has been recognised in the financial statements in respect of the other equity-settled shared-based payments.

(x) Biological Assets - Live Finfish

Live finfish assets are valued at fair value less estimated point of sale costs. This fair value is the amount which could be expected to be received from the disposal of the asset in an active and liquid market less the costs expected to be incurred in realising the proceeds of such disposal. The net increment/(decrement) in the fair value of finfish is recognised as income/(expense) in the reporting period.

Where an active and liquid market is not available the net present value of cash flows expected to be generated by the finfish is applied having regard to the expected harvest biomass, future selling prices and expected costs. Historic cost is used as an estimate of fair value where little or no biological change has taken place, or where cost is a more relevant and reliable estimate than any other indicator.

The value attributed to non-living produce extracted is the net market value immediately after extraction. The net market value, less point of sale costs, is recognised as revenue in the financial year in which the extraction occurs.

Fair value has been determined in accordance with Directors' valuation.

(y) Financial Risk Management Strategies Relating to Agricultural Activities

The consolidated entity has a comprehensive risk management strategy in place to monitor and oversee its agricultural activities. The policy framework is broad, with risk management addressed via marine and hatchery site geographical diversification, conservative finfish husbandry practices, experienced management with international expertise and extensive investment in infrastructure improvements and automation.

(z) Business Combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the consolidated entity in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under AASB 3 'Business Combinations' are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for Sale in accordance with AASB 5 'Non-current Assets Held for Sale and Discontinued Operations', which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the consolidated entity's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the consolidated entity's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

If relevant, the interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

(aa) Investments in Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The result and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with AASB 5 "Non-current Assets Held for Sale and Discontinued Operations'. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments.

Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of the acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of the acquisition, after reassessment, is recognised immediately in profit or loss. Where a Group entity transacts with an associate of the Group's interest in the relevant associate.

2. Subsequent Events Final Dividend Declared

On 25 August 2009, the Directors declared a final unfranked dividend of \$5.464 million (4.00 cents per ordinary share) in respect of the financial year ended 30 June 2009. The record date for determining entitlements to this final dividend is 18 September 2009. The final dividend will be paid on 8 October 2009.

The Company's Dividend Reinvestment Plan will apply to the final dividend and a discount rate of 5% has been determined by the Directors.

The Company has executed an Underwriting Agreement to underwrite that portion of the Final Dividend payment that is not taken up by shareholders pursuant to the Dividend Reinvestment Plan. This will assist funding the Company's ongoing capital investment initiatives underpinning the Company's Strategic Plan FY2015.

The final dividend has not been recognised in this Annual Financial Report because the final dividend was declared subsequent to 30 June 2009.

For the Year Ended 30 June 2009 (cont.)

Tassal Group Limited and Controlled Entities

3. Profit for the Year Before Tax

Profit from operations before income tax expense includes the following items of revenue and expense:

	Note	Consolidated 2009	Consolidated 2008	Company 2009	Company 2008
		\$'000	\$'000	\$'000	\$'000
(a) Revenue					
Revenue from the sale of goods		200,592	164,303	-	-
Net market value of non-living produce extracted	(i)	147,203	112,034	-	-
Increment in net market value of biological assets	(ii)	6,445	9,011	-	-
Dividends received from controlled entities		-	-	11,148	7,916
Rental revenue		12	12	-	-
Interest revenue		139	385	-	-
Total revenue		354,391	285,745	11,148	7,916
(b) Other income					
Gain on disposal of property, plant and equipment		22	-	-	-
Government grants received		1,329	1,154	-	-
Other		1,580	984	-	-
Total other income		2,931	2,138	-	-

Notes: AASB 141 "Agriculture":

- (i) Pursuant to the requirements of AASB 141, this amount represents the fair value of finfish harvested during the year less point of sale costs at the point of harvest.
- Pursuant to the requirements of AASB 141, this amount represents the difference between the fair value of finfish reflected in the Balance Sheet as at the respective reporting dates (net of estimated point of sale costs) less costs incurred in acquiring smolt (juvenile fish).
- (iii) The impact on net profit before tax of applying AASB 141 for the year is an increase of \$4.674 million [2008: an increase of \$0.983 million].

Operating lease rental expenses

Research and development costs immediately expensed

Loss on disposal of property, plant and equipment

Column C		Consolidated 2009	Consolidated 2008	Company 2009	Company 2008
Depreciation of non-current assets 8,001 7,354 -		\$'000	\$'000	\$'000	\$'000
Amortisation of non-current assets 28 22 - Total depreciation and amortisation 8,029 7,376 - Interest - other entities 1,014 2,609 - Finance lease charges 1,773 1,505 - Total finance costs ⁽ⁱ⁾ 2,787 4,114 - Notes: (ii) Finance costs of \$1.928 million were included in the cost of qualifying assets during the current year (2008: \$0.453 million). *** (ii) The weighted average capitalisation rate on funds borrowed generally is 5.148% (2008: 7.89%) 195,990 162,558 - Employee benefit expense: Share-based payments: *** *** Equity settled share-based payments 184 397 - Post employment benefits 2,322 1,947 - Other employee benefits 28,440 24,589 - Total employee benefit expense 30,946 26,933 - Net bad and doubtful debts – other entities 135 370 -	(c) Expenses				
Total depreciation and amortisation 8,029 7,376 - Interest - other entities 1,014 2,609 - Finance lease charges 1,773 1,505 - Total finance costs® 2,787 4,114 - Notes: (i) Finance costs of \$1.928 million were included in the cost of qualifying assets during the current year (2008; \$0.463 million). - (ii) The weighted average capitalisation rate on funds borrowed generally is 5.148% (2008; 7.89%) - Cost of sales 195,990 162,558 - Employee benefit expense: Share-based payments: Share-based payments: - Equity settled share-based payments 184 397 - Post employment benefits 2,322 1,947 - Other employee benefits 28,440 24,589 - Total employee benefit expense 30,946 26,933 - Net bad and doubtful debts – other entities 135 370 -	Depreciation of non-current assets	8,001	7,354	-	-
Interest - other entities 1,014 2,609 - Finance lease charges 1,773 1,505 - Total finance costs [®] 2,787 4,114 - Notes: (i) Finance costs of \$1.928 million were included in the cost of qualifying assets during the current year (2008: \$0.453 million). *** *** (ii) The weighted average capitalisation rate on funds borrowed generally is 5.148% (2008: 7.89%) - *** Cost of sales 195,990 162,558 - Employee benefit expense: Share-based payments: Equity settled share-based payments Equity settled share-based payments Post employment benefits 2,322 1,947 Other employee benefits 28,440 24,589 Total employee benefit expense 30,946 26,933 - Net bad and doubtful debts – other entities 135 370 -	Amortisation of non-current assets	28	22	-	-
Finance lease charges	Total depreciation and amortisation	8,029	7,376	-	-
Total finance costs® 2,787 4,114 - Notes: (i) Finance costs of \$1.928 million were included in the cost of qualifying assets during the current year (2008: \$0.453 million). (ii) The weighted average capitalisation rate on funds borrowed generally is 5.148% (2008: 7.89%) 195,990 162,558 - Cost of sales 195,990 162,558 - Employee benefit expense: Share-based payments:	Interest - other entities	1,014	2,609	-	-
Notes: (i) Finance costs of \$1.928 million were included in the cost of qualifying assets during the current year (2008: \$0.453 million). (ii) The weighted average capitalisation rate on funds borrowed generally is 5.148% (2008: 7.89%) Cost of sales 195,990 162,558 - Employee benefit expense: Share-based payments: Equity settled share-based payments 184 397 - Post employment benefits 2,322 1,947 - Other employee benefits 28,440 24,589 - Total employee benefit expense Net bad and doubtful debts – other entities 135 370 -	Finance lease charges	1,773	1,505	-	-
(i) Finance costs of \$1.928 million were included in the cost of qualifying assets during the current year (2008: \$0.453 million). (ii) The weighted average capitalisation rate on funds borrowed generally is 5.148% (2008: 7.89%) Cost of sales 195,990 162,558 - Employee benefit expense: Share-based payments: Equity settled share-based payments 184 397 - Post employment benefits 2,322 1,947 - Other employee benefits 28,440 24,589 - Total employee benefit expense Net bad and doubtful debts – other entities 135 370 -	Total finance costs ⁽ⁱ⁾	2,787	4,114	-	-
qualifying assets during the current year (2008: \$0.453 million). (ii) The weighted average capitalisation rate on funds borrowed generally is 5.148% (2008: 7.89%) Cost of sales 195,990 162,558 - Employee benefit expense: Share-based payments: Equity settled share-based payments 184 397 - Post employment benefits 2,322 1,947 - Other employee benefits 28,440 24,589 - Total employee benefit expense 30,946 26,933 - Net bad and doubtful debts – other entities 135 370 -	Notes:				
Cost of sales 195,990 162,558 -					
Employee benefit expense: Share-based payments: Equity settled share-based payments 184 397 - Post employment benefits 2,322 1,947 - Other employee benefits 28,440 24,589 - Total employee benefit expense 30,946 26,933 - Net bad and doubtful debts – other entities 135 370 -					
Share-based payments: Equity settled share-based payments 184 397 - Post employment benefits 2,322 1,947 - Other employee benefits 28,440 24,589 - Total employee benefit expense 30,946 26,933 - Net bad and doubtful debts – other entities 135 370 -	Cost of sales	195,990	162,558	-	-
Equity settled share-based payments 184 397 - Post employment benefits 2,322 1,947 - Other employee benefits 28,440 24,589 - Total employee benefit expense 30,946 26,933 - Net bad and doubtful debts – other entities 135 370 -	Employee benefit expense:				
Post employment benefits 2,322 1,947 - Other employee benefits 28,440 24,589 - Total employee benefit expense 30,946 26,933 - Net bad and doubtful debts – other entities 135 370 -	Share-based payments:				
Other employee benefits 28,440 24,589 - Total employee benefit expense 30,946 26,933 - Net bad and doubtful debts – other entities 135 370 -	Equity settled share-based payments	184	397	-	-
Total employee benefit expense 30,946 26,933 - Net bad and doubtful debts – other entities 135 370 -	Post employment benefits	2,322	1,947	-	-
Net bad and doubtful debts – other entities 135 370 -	Other employee benefits	28,440	24,589	-	-
	Total employee benefit expense	30,946	26,933	-	-
Write-downs of inventories to net realisable value 10 331 -	Net bad and doubtful debts - other entities	135	370	-	-
	Write-downs of inventories to net realisable value	10	331	-	-

3,575

21

3,532

30 15

For the Year Ended 30 June 2009 (cont.)

Tassal Group Limited and Controlled Entities

		_
4.	Income	Taxes

	0011001100100	Oor lookatoa 2000	oompany zooo	Company 2000
	\$'000	\$'000	\$'000	\$'000
(a) Income tax recognised in profit or loss:				
Tax (expense)/income comprises:				
Current tax (expense)/income	(3,542)	(1,910)	111	214
Adjustment recognised in the current year in relation to the				
current tax of prior years	(51)	(69)	-	-
Deferred tax (expense)/income relating to the origination and				
reversal of temporary differences	(5,435)	(4,597)	(111)	(214)
Total tax (expense)/income	(9,028)	(6,576)	-	-
The prima facie income tax (expense)/income on pre-tax accounting profit from operations reconciles to the income tax (expense)/income in the financial statements as follows:				
Profit from operations	39,112	27,043	11,148	7,916
ncome tax (expense)/benefit calculated at 30%	(11,734)	(8,113)	(3,344)	(2,375)
Non-tax deductible items	(71)	(134)	-	-
Dividends from wholly-owned subsidiaries	-	-	3,344	2,375
nvestment allowance	2,372	-	-	-
Research and development concession	456	1,740	-	-
Adjustment recognised in the current year in relation to the current tax of prior years	(51)	(69)	_	_
ncome tax (expense)/benefit	(9,028)	(6,576)		
(b) Income tax recognised directly in equity				
Deferred tax:				
Revaluation of financial instruments treated as cash flow hedges	(560)	(136)	_	_
Share issue expenses	-	(486)	_	(486)
	(560)	(622)	-	(486)
(c) Current tax balances:				
Current tax balances.				
ncome tax payable attributable to:				
Entities in the tax-consolidated group	194	_	194	_
0.000	194	-	194	-
(d) Deferred tax balances:				
Deferred tax assets comprise:				
Tax losses – revenue	1,661	5,061	1,661	5,061
Temporary differences	2,543	1,822	292	403
•	4,204	6,883	1,953	5,464
Deferred tax liabilities comprise:	·		· · · · · · · · · · · · · · · · · · ·	·
Temporary differences	(30,531)	(24,935)	_	_
	(30,531)	(24,935)	-	-
Net deferred tax asset/(liability)	(26,327)	(18,052)	1,953	5,464
,		, ,	* * * * * * * * * * * * * * * * * * * *	

Consolidated 2009 Consolidated 2008

Company 2009

Company 2008



(d) Deferred tax balances: (cont.)

Taxable and deductible temporary differences arise from the following:

Consolidated	Opening balance	Charged to income	Charged to equity	Closing balance
	\$'000	\$'000	\$'000	\$'000
2009				
Gross deferred tax liabilities:				
Biological assets	(21,207)	(4,527)	-	(25,734)
Inventories	(626)	(749)	-	(1,375)
Trade and other receivables	(58)	58	-	-
Property, plant and equipment	(2,527)	(229)	-	(2,756)
Investment in associates and jointly controlled entities	(489)	(156)	-	(645)
Other intangible assets	(14)	(6)	-	(20)
Cash flow hedges	(13)	-	13	-
Other financial assets	(1)	-	-	(1)
	(24,935)	(5,609)	13	(30,531)
Gross deferred tax assets:				
Provisions	1,238	174	-	1,412
Accruals	40	(8)	-	32
Deferred income	100	(15)	-	85
Share issue expenses deductible over 5 years	403	(111)	-	292
Cash flow hedges	-	108	547	655
Other	41	26	_	67
	1,822	174	547	2,543
	(23,113)	(5,435)	560	(27,988)
Reduction arising from:	()	(3, 33)		(, , , , , , , ,
Tax losses - revenue	5,061	(3,400)	_	1,661
Net deferred tax asset/(liability)	(18,052)	(8,835)	560	(26,327)
. , ,	, ,	, , ,		, , ,
2008				
Gross deferred tax liabilities:				
Biological assets	(16,723)	(4,484)	_	(21,207)
Inventories	(634)	(1, 10 1)		(626)
Trade and other receivables	(00 1)	(58)	_	(58)
Property, plant and equipment	(2,612)	85		(2,527)
Investment in associates and jointly controlled entities	(340)	(149)		(489)
Other intangible assets	(040)	(14)		(14)
Cash flow hedges	(149)	(14)	136	(13)
Other financial assets		•	130	
Other III lancial assets	(20,459)	(4,612)	 136	(1) (24,935)
Gross deferred tax assets:	(20,409)	(4,012)	130	(24,900)
	1.040	100		1,238
Provisions Apprecia	1,040	198	-	
Accruals Deformed income	35	5	-	40
Deferred income	101	(1)	-	100
Share issue expenses deductible over 5 years	131	(214)	486	403
Other	1.201	27	400	41
	1,321	15	486	1,822
D. J. W	(19,138)	(4,597)	622	(23,113)
Reduction arising from:	0.074	(4.0.10)		5.004
Tax losses - revenue	6,971	(1,910)		5,061
Net deferred tax asset/(liability)	(12,167)	(6,507)	622	(18,052)

For the Year Ended 30 June 2009 (cont.)

Tassal Group Limited and Controlled Entities

4. Income Taxes (cont.)

(d) Deferred tax balances: (cont.)

Taxable and deductible temporary differences arise from the following:

Company	Opening balance	Charged to income	Charged to equity	Closing balance
	\$'000	\$'000	\$'000	\$'000
2009				
Gross deferred tax assets:				
Share issue expenses deductible over 5 years	403	(111)	-	292
	403	(111)	-	292
Addition arising from:				
Tax losses – revenue (members of the tax-consolidated group)	5,061	(3,400)	-	1,661
Net deferred tax asset/(liability)	5,464	(3,511)	-	1,953
2008				
Gross deferred tax assets:				
Share issue expenses deductible over 5 years	131	(214)	486	403
	131	(214)	486	403
Addition arising from:				
Tax losses – revenue (members of the tax-consolidated group)	6,971	(1,910)	_	5,061
Net deferred tax asset/(liability)	7,102	(2,124)	486	5,464

(e) Tax consolidation

Relevance of tax consolidation to the consolidated entity

The Company and its wholly-owned Australian resident entities have formed a tax-consolidated group with effect from 19 September 2003 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Tassal Group Limited. The members of the tax-consolidated group are identified at note 35.

Nature of tax funding arrangements and tax sharing agreements

Entities within the tax-consolidated group have entered into a tax funding arrangement and a tax-sharing agreement with the head entity.

Under the terms of the tax funding arrangement, Tassal Group Limited and each of the entities in the tax-consolidated group has agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity. Such amounts are reflected in amounts receivable from or payable to other entities in the tax-consolidated group.

The tax sharing agreement entered into between members of the tax-consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

5. Key Management Personnel Compensation

(a) Identity of Key Management Personnel:

The following were Key Management Personnel of the consolidated entity at any time during the financial year and unless otherwise indicated were Key Management Personnel for the entire period.

Name	Title
Directors:	
A. McCallum	Chairman, Non-executive Director
M. Ryan	Chief Executive Officer and Managing Director
C. Bright	Non-executive Director (resigned 30 September 2008)
D. Groves	Non-executive Director
J. Monk	Non-executive Director
R. Roberts	Non-executive Director
D. Robinson	Non-executive Director (appointed 30 September 2008, resigned 20 November 2008)
J. Watson	Non-executive Director
Other Key Management Personnel:	
N. Burrows	Company Secretary and Chief Financial Officer
M. Asman	Chief Operating Officer
D. Williams	Chief of Sales and Marketing
N. Petracca	Chief Risk Officer
K. Little	General Manager – Human Resources and Quality

(b) Key Management Personnel Compensation

The aggregate compensation of Key Management Personnel of the consolidated entity and the Company is set out below:

	Consolidated 2009	Consolidated 2008	Company 2009	Company 2008
	\$	\$	\$	\$
Short-term employee benefits	2,538,924	2,183,218	-	-
Post-employment benefits	160,910	148,981	-	-
Share-based payment	160,570	310,594	-	-
	2,860,404	2,642,793	-	-

Details of the consolidated entity's Key Management Personnel compensation policy and details of Key Management Personnel compensation are discussed in section 20 of the Directors' Report. Compensation for all Key Management Personnel is expensed through Tassal Operations Pty Ltd, therefore Company disclosures are nil balances. An allocation of Key Management Personnel compensation to the Company is considered impractical as such an allocation would be purely arbitrary in nature.



For the Year Ended 30 June 2009 (cont.)

Tassal Group Limited and Controlled Entities

5. Key Management Personnel Compensation (cont.)

(c) Share-based Remuneration

(i) Long-term Incentive Plan

The Company established a Long-term Incentive Plan during the financial year ended 30 June 2007. Employees receiving awards under the Long-term Incentive Plan are those of an Executive level (including the Managing Director).

Under the Company's Long-term Incentive Plan, participants are granted performance rights to ordinary shares, subject to the Company meeting specified performance criteria during the performance period. If these performance criteria are satisfied, ordinary shares will be issued at the end of the performance period. The number of ordinary shares that a participant will ultimately receive will depend on the extent to which the performance criteria are met by the Company. If specified minimum performance hurdles are not met no ordinary shares will be issued in respect of the performance rights.

An employee granted performance rights is not legally entitled to shares in the Company before the performance rights allocated under the Plan vest. A performance right to ordinary shares does not entitle a participant under the Plan to voting rights, participation in new issues of securities or to receive dividends. In the event that shares are issued under the Plan at the end of the performance period pursuant to the performance rights, those shares will rank equally with existing ordinary shares, including entitlement to voting rights. Once shares have vested they remain in a holding lock until the earlier of the employee leaving the consolidated entity, the tenth anniversary (seventh anniversary for performance rights granted after 30 June 2009) of the date the performance rights were awarded or the Board approving an application for their release.

Set out below is a summary of performance rights granted to Key Management Personnel under the Plan (Consolidated and Parent Entity):

Grant date	Vesting date	Balance at start of year (Number)	Granted during the year (Number)	Vested during the year (Number)	Lapsed during the year (Number)	Balance at end of year (Number)
3 Nov 2006	30 June 2009	449,521	-	(404,568)	(44,953)	-
2 Nov 2007	30 June 2010	161,895	-	-	-	161,895
6 Nov 2008	30 June 2011	-	215,755	-	-	215,755
		611,416	215,755	(404,568)	(44,953)	377,650

Details of the performance rights holdings of the respective Key Management Personnel, including details of performance rights granted, vested or lapsed during the year are disclosed in note 38 (a).

It is not expected that the performance hurdles for performance rights granted on 2 November 2007 will be satisfied, and accordingly it is not expected that the performance rights will vest on 20 June 2010.

The independently assessed fair value at grant date of performance rights granted under the Long-term Incentive Plan during the financial years ended 30 June 2007, 30 June 2008 and 30 June 2009 and applicable to Key Management Personnel was:

Performance condition	Value at grant date
	\$
Performance rights issued during the financial year ended 30 June 2007:	
Earnings per share ('EPS')	329,165
Total shareholder return ('TSR')	267,127
	596,292
Performance rights issued during the financial year ended 30 June 2008:	
Earnings per share ('EPS')	335,494
	335,494
Performance rights issued during the financial year ended 30 June 2009:	
Earnings per share ('EPS')	220,915
	220,915
	1,152,701

The above performance rights valuations have been determined in line with the requirements of AASB 2 'Share-based Payments'. AASB 2 requires the measurement of the fair value of the performance rights at the grant date and then to have that value apportioned in equal amounts over the period from grant date to vesting date.

(c) Share-based Remuneration (cont.)

(i) Long-term Incentive Plan (cont.)

The expense recognised in relation to performance rights applicable to Key Management Personnel for the financial year ended 30 June 2009 is \$160,570 (2008:\$310,594). This expense is calculated after applying a reduction of \$111,831 representing the expense previously recognised in relation to performance rights granted during the financial year ended 30 June 2008 which are now no longer expected to vest on 30 June 2010 (vesting dates) as the relevant EPS growth performance hurdle is not expected to be satisfied.

100% of the performance rights granted to Key Management Personnel during the financial years ended 30 June 2009 and 30 June 2008 attach to an EPS performance Hurdle. 50% of the performance rights granted to Key Management Personnel during the financial year ended 30 June 2007 attach respectively to each of the EPS and TSR performance hurdles.

The fair value of the performance rights subject to the EPS performance hurdle vesting criteria has been determined by projecting a range of earnings and EPS growth outcomes with reference to sensitivities applied to Management approved forecasts and cash flow projections. The probability weighted number of performance rights to vest under each sensitivity modelled was valued using the share price at grant date of \$1.750 (2008:\$3.810) adjusted for the present value of expected dividends over the vesting Performance Period.

The fair value of the performance rights subject to the TSR performance hurdle vesting criteria (only applicable to performance rights issued during the financial year ended 30 June 2007) was determined using a Monte Carlo simulation model utilising the following input metrics:

Grant date 3 November 2006

Grant date share price \$1.725

Performance (vesting) period 1 July 2006 to 30 June 2009

Expected volatility (i) 26.8%
Dividend yield 4.16%
Risk-free interest rate 5.98%

 Expected volatility is based on historical monthly share price volatility over a five year period.

(ii) Share Options

There were no options granted to Key Management Personnel during or since the end of the financial year.

6. Remuneration of Auditors

	Consolidated 2009	Consolidated 2008	Company 2009	Company 2008
	\$	\$	\$	\$
Audit or review of the financial reports	158,500	163,581	-	-
Non-audit services (i)	48,861	112,166	-	-
	207,361	275,747	-	-

Notes:

- (i) The "non-audit services" principally refers to the provision of taxation services and professional services in relation to the acquisition of the Superior Gold Brand and business developments. Non-audit services are any services provided, excluding audits required by the Corporations Act 2001.
- (ii) All amounts shown above are exclusive of GST.

- (iii) The parent entity's audit fees were paid for by Tassal Operations Pty Ltd, a wholly-owned subsidiary.
- (iv) Refer to the Directors' Report for details on compliance with the auditor's independence requirements of the Corporations Act 2001.
- (v) The auditor of Tassal Group Limited is Deloitte Touche Tohmatsu.

For the Year Ended 30 June 2009 (cont.)

Tassal Group Limited and Controlled Entities

7. Current Trade and Other Receivables

	Consolidated 2009	Consolidated 2008	Company 2009	Company 2008
	\$'000	\$'000	\$'000	\$'000
Trade receivables®	19,636	17,900	-	-
Allowance for doubtful debts	(11)	(262)	-	-
	19,625	17,638	-	-
Goods and services tax (GST) receivable	2,491	1,055	-	-
Amount receivable from wholly-owned controlled entities®	-	-	113,451	105,216
Other receivables	1,474	698	-	-
	23,590	19,391	113,451	105,216

Notes:

The average credit period on sales of goods is 30 days from the previous month's statement date. No interest is charged on the trade receivables for the first 60 days from the date of the invoice. Thereafter, interest may be charged at 2% per month on the outstanding balance. An allowance has been made for estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience. During the current financial year the allowance for doubtful debts decreased \$0.251 million $(2008: increased by \$0.239 \ million). \ This movement was recognised in the profit or loss for the current financial year.$

Included in the Group's trade receivable balance are debtors with a carrying amount of \$1.550 million (2008: \$1.405 million) which are past due at the reporting date for which the Group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable.

(ii) Amounts receivable from the entities in the wholly-owned group include amounts arising out of the entity's tax-funding agreement. (refer to note 4 for details).

	Consolidated 2009	Consolidated 2008	Company 2009	Company 2008
	\$'000	\$'000	\$'000	\$'000
Ageing of past due but not impaired				
90 – 120 days	1,335	1,092	-	-
120+ days	215	313	-	-
Total	1,550	1,405	-	-
Movement in allowance for doubtful debts				
Balance at the beginning of the year	(262)	(23)	-	-
Doubtful debts recognised	(135)	(370)	-	-
Amounts written off as uncollectible	386	131	-	-
Balance at the end of the year	(11)	(262)	-	-

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the Directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

In respect of the financial year ended 30 June 2008, the allowance for doubtful debts included an individually impaired trade receivable of \$0.211 million which was placed under liquidation. The impairment recognised represents the difference between the carrying amount of the trade receivable and the present value of the expected liquidation proceeds. The Group did not hold any collateral over this balance.

	Consolidated 2009	Consolidated 2008	Company 2009	Company 2008
	\$'000	\$'000	\$'000	\$'000
Ageing of impaired receivables				
120+ days	11	211	-	-
	11	211	-	-

8. Current Inventories

	Consolidated 2009	Consolidated 2008	Company 2009	Company 2008
	\$'000	\$'000	\$'000	\$'000
Raw materials				
At cost	6,420	3,659	-	-
Finished goods				
At cost	41,891	33,580	-	-
	48,311	37,239	-	-
9. Biological Assets				
Livestock at fair value ⁽ⁱ⁾				
Opening balance	83,289	66,660	-	-
Gain or loss arising from changes in fair value less estimated				
point of sale costs	153,648	121,045	-	-
Increases due to purchases	10,435	7,618	-	-
Decreases due to harvest	(147,203)	(112,034)	-	-
Closing balance	100,169	83,289	-	-
(i) Tassal Operations Pty Ltd grows fish from juveniles through to harve (approximately 16 months). Total weight of live finfish at the end of t year was 13,296,836 kilograms (2008: 11,993,011 kilograms).				
10. Other Current Financial Assets				
Derivatives that are designated and effective as hedging instruments carried at fair value:				
Foreign currency forward contracts	-	42	-	-
Interest rate swaps	-	195	-	-
	-	237	-	-
Loans carried at amortised cost:				
Loans to other related parties	511	510	-	-
Loans to other entities	-	100	-	-
	511	610	-	-
	511	847	-	-
11. Other Current Assets				
Prepayments	792	906	_	_

For the Year Ended 30 June 2009 (cont.)

Tassal Group Limited and Controlled Entities

12. Investments Accounted for Using the Equity Method

	Consolidated 2009	Consolidated 2008	Company 2009	Company 2008
	\$'000	\$'000	\$'000	\$'000
Investments in associates	6,661	6,472	-	-
Investments in jointly controlled entities	1,246	967	-	-
	7,907	7,439	-	-
Reconciliation of movement in investments accounted for using the equity method				
Balance at the beginning of the financial year	7,439	6,370	-	-
Share of profit for the year	459	428	-	-
Additions	9	641	-	-
Balance at the end of the financial year	7,907	7,439	-	-

Name of entity	Principal activity	Country of incorporation	Ownership interest	
			2009	2008
			%	%
Associates:				
Salmon Enterprises of Tasmania Pty Ltd (i)	Atlantic salmon hatchery	Australia	68.78	68.78
Jointly controlled entities:				
Springfield Hatcheries Pty Ltd	Atlantic salmon & trout hatchery	Australia	50.00	50.00
Pink Restaurant Pty Ltd (ii)	Restaurant and related activities	Australia	50.00	50.00
MIC Pty Ltd (iii)	Marketing net cleaning technology	Australia	50.00	_

Notes:

- The Consolidated entity owns 68.78% (2008: 68.78%) of the issued capital and 61.22% (2008: 61.22%) of the voting shares of Salmon Enterprises of Tasmania Pty Ltd ("Saltas"). Saltas supplies smolt to the Tasmanian aquaculture industry.
 - Saltas is an Associate of the Company, however the Board does not consider it appropriate to consolidate Saltas as the nature of the voting powers of the Board members as detailed in the Constitution of Saltas is such that the consolidated entity does not have the capacity to control Saltas.
- (ii) On 6 February 2007, the Company's wholly owned subsidiary, Tassal Operations Pty Ltd, together with an unaffiliated management company, formed a new and jointly owned company, Pink Restaurant Pty Ltd, to manage and operate a niche restaurant adjacent to the Company's Hobart based premises at 2 Salamanca Square. Tassal Ope Pty Ltd owns 50% of the issued capital of Pink Restaurant Pty Ltd. Acquisition costs to date comprise company formation expenses of \$0.142 million. Pink Restaurant Pty Ltd. commenced trading activities during September 2007.
- (iii) On 23rd June 2009, the Company's wholly owned subsidiary, Tassal Operations Pty Ltd, together with Plastic Fabrications Pty Ltd, (a specialist provider of equipment infrastructure to the aquaculture industry) formed a new and jointly owned company, MIC Pty Ltd, to develop and market a revolutionary new net vacuum cleaning system The newly developed technology dramatically reduces net cleaning time, labour costs and OH&S risks, delivering a cleaner environment, healthier fish and lower mortality rates. The cost of acquisition to the consolidated entity was \$0.009 million.

Summarised financial information of associates: ⁽ⁱ⁾	Consolidated 2009	Consolidated 2008
	\$'000	\$'000
Current assets	1,626	5,038
Non-current assets	12,071	8,946
	13,697	13,984
Current liabilities	(1,812)	(960)
Non-current liabilities	(2,167)	(1,243)
	(3,979)	(2,203)
Net assets	9,718	11,781
Revenue	3,877	6,450
Net profit/(loss)	(1,776)	1,006
Share of associates' profit:		
Share of profit before income tax	284	267
Income tax (expense)/benefit	(95)	(70)
Share of associates' profit – current period	189	197
Summarised financial information of jointly controlled entities: ⁽ⁱ⁾	Consolidated 2009	Consolidated 2008
	\$'000	\$'000
Current assets	4,140	3,554
Non-current assets	8,794	7,103
	12,934	10,657
Current liabilities	(2,653)	(2,506)
Non-current liabilities	(5,908)	(5,878)
	(8,561)	(8,384)
Net assets	4,373	2,273
Net assets	.,0.0	
Revenue Revenue	5,717	5,421
	<u> </u>	
Revenue	5,717	
Revenue Net profit	5,717	747
Revenue Net profit Share of jointly controlled entities' profit:	5,717 599	747 358
Revenue Net profit Share of jointly controlled entities' profit: Share of profit before income tax	5,717 599 407	5,421 747 358 (127) 231

⁽i) Profit and loss resulting from upstream and downstream transactions between an investor and an associate or a joint venture entity are recognised in the investor's financial statements only to the extent of unrelated investors' interest in the associate or joint venture entity.

13. Other Non-Current Financial Assets

	Consolidated 2009	Consolidated 2008	Company 2009	Company 2008
	\$'000	\$'000	\$'000	\$'000
Shares in other entities	43	43	-	-
Shares in controlled entities at cost	-	-	28,119	28,119
Loans to other related parties	81	92	-	-
	124	135	28,119	28,119

For the Year Ended 30 June 2009 (cont.)

Tassal Group Limited and Controlled Entities

14. Property, Plant and Equipment

	Freehold land	Buildings	Plant and equipment	Equipment under finance	Capital works in progress	
Consolidated: 2009	at fair value	at fair value	at cost	lease at cost	at cost	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross carrying amount						
Balance at 30 June 2008	3,100	17,082	36,884	34,662	19,150	110,878
Additions	653	580	13,372	14,712	24,383	53,700
Disposals	-	-	(5,854)	(83)	-	(5,937)
Transfers to asset categories	-	-	1,667	17,483	(19,150)	-
Balance at 30 June 2009	3,753	17,662	46,069	66,774	24,383	158,641
Accumulated depreciation						
Balance at 30 June 2008	-	(516)	(17,326)	(7,941)	-	(25,783)
Depreciation expense	-	(545)	(3,987)	(5,076)	-	(9,608)
Disposals	-	-	5,837	83	-	5,920
Balance at 30 June 2009	-	(1,061)	(15,476)	(12,934)	-	29,471
Net book value						
Balance at 30 June 2008	3,100	16,566	19,558	26,721	19,150	85,095
Balance at 30 June 2009	3,753	16,601	30,593	53,840	24,383	129,170

0 111 1 2000	Freehold land	Buildings	Plant and equipment	Equipment under finance	Capital works in progress	-
Consolidated: 2008	at fair value \$'000	at fair value \$'000	at cost \$'000	lease at cost \$'000	at cost \$'000	Total \$'000
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
Gross carrying amount						
Balance at 30 June 2007	3,050	15,255	35,769	23,739	3,206	81,019
Additions	27	1,417	1,450	8,438	19,150	30,482
Disposals	-	-	(623)	-	-	(623)
Transfers to asset categories	23	410	288	2,485	(3,206)	-
Balance at 30 June 2008	3,100	17,082	36,884	34,662	19,150	110,878
Accumulated depreciation						
Balance at 30 June 2007	-	-	(13,133)	(3,994)	-	(17,127)
Depreciation expense	-	(516)	(4,449)	(3,947)	-	(8,912)
Disposals	-	-	256	-	-	256
Balance at 30 June 2008	-	(516)	(17,326)	(7,941)	-	(25,783)
Net book value						
Balance at 30 June 2007	3,050	15,255	22,636	19,745	3,206	63,892
Balance at 30 June 2008	3,100	16,566	19,558	26,721	19,150	85,095

An independent valuation of the Group's freehold land and freehold and leasehold buildings was performed by Mr M.J.Page [B.Bus.(Property)AAPI] to determine the fair value of the land and buildings. The valuation conforms to Australian Valuations Standards, and was effective as at 5 June 2007 and remains current.

Had the Group's freehold land, and freehold and leasehold buildings been measured on a historical cost basis, their carrying amounts would have been as follows:

	Consolidated 2009	Consolidated 2008	Company 2009	Company 2008
	\$'000	\$'000	\$'000	\$'000
Freehold land	2,870	2,217	-	-
Freehold and leasehold buildings	11,145	10,971	-	-
Aggregate depreciation allocated, whether recognised as an expense or capitalised as part of the carrying amount of other assets during the year:				
Buildings	545	516	-	-
Plant and equipment	3,987	4,449	-	-
Equipment under finance lease	5,076	3,947	-	-
	9,608	8,912	-	-

15. Goodwill

	Consolidated 2009	Consolidated 2008	Company 2009	Company 2008
	\$'000	\$'000	\$'000	\$'000
Gross carrying amount				
Balance at the beginning of financial year	14,851	14,851	-	-
Additional amounts recognised from business combinations occurring during the period	-	-	_	-
Balance at the end of financial year	14,851	14,851	-	-
Accumulated impairment losses				
Balance at the beginning of financial year	-	-	-	-
Impairment losses for the year	-	-	-	-
Balance at the end of the financial year	-	-	-	-
Net book value				
Balance at the beginning of the financial year	14,851	14,851	-	-
Balance at the end of the financial year	14,851	14,851	-	-

Impairment test for goodwill

Goodwill relates to the consolidated entity's acquisition of the wholly-owned controlled entity, Aquatas Pty Ltd. The recoverable amount of goodwill is determined based on the value-in-use calculation. This calculation uses a discounted cash flow projection using a pre-tax discount rate of 14.27% (2008: 11.20%). The calculation is based on management approved cash flows and financial projections to 2015, and a further five year forecast to 2020, of the continued and incremental cash flow synergies to be derived from the acquisition of Aquatas Pty Ltd. The forecast period has been selected as this approximates a sufficient number of finish growth cycles which deliver the related synergies underpinning the projected cash flows to be generated. The incremental cash flows have been derived from a comparison of the consolidated entity's profit performance achieved during the current reporting period and the respective stand alone profitability of Aquatas Pty Ltd and the consolidated entity immediately prior to the acquisition, with the latter as detailed in the Independent Expert's Report which accompanied the Notice of General Meeting held on 17 March 2005 approving the issue of shares to Webster Limited. The recoverable amount calculated exceeds the carrying value of goodwill.

16. Other Intangible Assets

	Consolidated 2009	Consolidated 2008	Company 2009	Company 2008
	\$'000	\$'000	\$'000	\$'000
Gross carrying amount				
Balance at the beginning of financial year	23,118	-	-	-
Additional amounts recognised from acquisition of Superior Gold Brand	1,066	23,118	_	-
Balance at the end of financial year	24,184	23,118	-	-
Accumulated impairment losses				
Balance at the beginning of financial year	-	-	_	-
Impairment losses for the year	-	-	-	-
Balance at the end of financial year	-	-	-	-
Net book value				
Balance at the beginning of financial year	23,118	-	-	-
Balance at the end of financial year	24,184	23,118	-	-

Impairment test and useful life assessment for other intangible assets $% \left(1\right) =\left(1\right) \left(1\right) \left($

The carrying value of other intangible assets relating to the Superior Gold brand acquired during the financial year ended 30 June 2009 is \$24.184 million (2008: \$23.118 million). Management have assessed that the brand has an indefinite useful life. There is no foreseeable limited life for the brand and management has no intentions of ceasing use of the brand such that the life would be limited. The Brand will continue to be actively promoted and supported in the markets where Superior Gold branded products are sold.

The recoverable amount of other intangible assets is determined based on the value-in-use calculation. This calculation uses a discounted cash flow projection using a pre-tax discount rate of 14.27% (2008: 11.20%). The calculation is based on management approved cash flows and financial projections expected to be derived from the contribution of Superior Gold branded product sales for the financial year ended 30 June 2010, and projections over a further forecast period to 2020. The forecast period has been selected as this approximates a sufficient number of sales cycles for the projected cash flows to be generated and over which the benefits of continued marketing and brand support initiatives are expected to be derived. The recoverable amount calculated exceeds the carrying value of the Superior Gold brand.



For the Year Ended 30 June 2009 (cont.)

Tassal Group Limited and Controlled Entities

17. Other Non-current Assets

	Consolidated 2009	Consolidated 2008	Company 2009	Company 2008
	\$'000	\$'000	\$'000	\$'000
Marine farming lease – at cost	827	683	-	-
Accumulated amortisation®	(244)	(216)	-	-
	583	467	-	-

⁽i) Amortisation expense is included in the line item "depreciation and amortisation" in the income statement

18. Assets Pledged as Security

In accordance with the security arrangements of liabilities, as disclosed in notes 20 and 24 to the financial statements, all current and non-current assets of the consolidated entity, except goodwill and deferred tax assets, have been pledged as security.

The consolidated entity does not hold title to the equipment under finance lease pledged as security.

19. Current Trade and Other Payables

	Consolidated 2009	Consolidated 2008	Company 2009	Company 2008
	\$'000	\$'000	\$'000	\$'000
Trade payables ⁽¹⁾	29,035	25,952	-	-
Other creditors and accruals	6,064	3,151	-	-
Goods and services tax (GST) payable	343	30	-	-
	35.442	29 133	_	_

⁽i) The average credit period on purchases of goods is 60 days. No interest is generally charged on trade payables for the first 60 days from the date of the invoice. Thereafter, interest may be charged at varying rates per annum on the outstanding balance. The consolidated entity has financial risk management policies in place to ensure that all payables are paid within the credit timeframe

20. Current Borrowings

Secured:

At amortised cost

	26,190	16,116	-	-
Bank loans(ii)	13,810	9,642	-	-
Finance lease liabilities®	12,380	6,474	-	-
Bank overdrafts [®]	-	-	-	-

Unsecured:

At amortised cost

Other loans	3	3	-	-
	26,193	16,119	-	-

- (i) Secured by registered mortgages over the consolidated entity's assets and undertakings, freehold land and buildings and shares in other related parties, the current market value of which exceeds the value of the mortgages.
- (ii) Secured by assets leased.
- (iii) Secured by assets, the value of which exceeds the loan liability.

21. Other Current Financial Liabilities

Foreign currency forward contracts	2,186	-	-	
	2,186	-	-	-

22. Current Provisions

	Consolidated 2009	Consolidated 2008	Company 2009	Company 2008
	\$'000	\$'000	\$'000	\$'000
Current provisions comprise:				
Employee benefits (refer to note 25)	3,812	2,932	-	-
	3,812	2,932	-	-
(i) The current provision for employee entitlements includes \$0.826 million (2008: \$0.712 million) of annual leave and vested long service leave entitlements accrued but not expected to be taken within twelve months.				
23. Other Current Liabilities				
Deferred government grants	257	297	-	-
Other	9	9	-	-
	266	306	-	-
24. Non-current Borrowings Secured:				
At amortised cost:				
Cash advance (1)	24,853	7,415	-	-
Finance lease liabilities (ii)	22,692	16,128	-	-
	47,545	23,543	-	-
Unsecured: At amortised cost:				
Other loans	21	24	-	-
	47,566	23,567	-	-
 Secured by registered mortgages over the consolidated entity's assets and undertakings, freehold land and buildings and shares in other related parties, the current market value of which exceeds the value of the mortgages. 				
(ii) Secured by assets leased.				
25. Non-current Provisions				
Employee benefits	623	646	_	-
The aggregate employee benefit liability recognised and included in the financial statements is as follows:				
Provision for employee benefits				
Current (refer to note 22)	3,812	2,932	_	_
Non-current	623	646	_	-
	4,435	3,578	-	-
26. Other Non-current Liabilities				
Other	18	27		
Outor	10			

For the Year Ended 30 June 2009 (cont.)

Tassal Group Limited and Controlled Entities

27. Issued Capital

Erriodada Gapitai						
		Consolidated and Company				
		2009		2008		
	Note	Number	\$'000	Number	\$'000	
(a) Ordinary share capital (fully paid):						
Ordinary shares		136,589,971	139,605	134,737,933	136,272	
Changes to the Corporations Law abolished the authorised capital and par value concepts in relation to share capital from 1 July 1998. Therefore, the Company does not have a limited amount of authorised capital and issued shares do not have a par value.						
(b) Movements in ordinary share capital						
Balance at the beginning of the financial year		134,737,933	136,272	115,600,194	65,560	
Issued pursuant to Dividend Reinvestment Plan	(i)	1,852,038	3,333	1,673,958	4,611	
Issued pursuant to share placement	(ii)	-	-	17,463,781	67,235	
Share placement costs		-	-	-	(1,620)	
Related income tax		-	-	-	486	
Balance as at the end of the financial year		136,589,971	139,605	134,737,933	136,272	

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

Notes

(i) Share issued pursuant to Company's Dividend Reinvestment Plan:

Current financial year:

On 24 October 2008, 748,651 ordinary shares were issued pursuant to the Company's Dividend Reinvestment Plan at an issue price of \$2.0513. A discount of 5% was applicable.

On 2 April 2009, 1,103,387 ordinary shares were issued pursuant to the Company's Dividend Reinvestment Plan at an issue price of \$1.6287. A discount of 5% was applicable.

Previous financial year

On 30 October 2007, 825,015 ordinary shares were issued pursuant to the Company's Dividend Reinvestment Plan at an issue price of \$3.1069. A discount of 5% was applicable.

On 24 April 2008, 848,943 ordinary shares were issued pursuant to the Company's Dividend Reinvestment Plan at an issue price of \$2.4078. A discount of 5% was applicable.

(ii) Shares issued pursuant to share placement:

On 15 January 2008, 17,463,781 ordinary shares were issued at an issue price of \$3.8500 for the purpose of the acquisition of the Superior Gold brand from The King Island Company Limited, (a wholly-owned subsidiary of National Foods Limited), reduction of debt, and to fund organic growth opportunities.

(c) Performance rights granted under Long-term Incentive Plan

(i) Current financial year:

In accordance with the provisions of the Company's Long-term Incentive Plan, 402,586 performance rights were granted on 6 November 2008 to senior Executives including the Managing Director. The issue of performance rights to the Managing Director was approved by the Company's shareholders at the Company's Annual General Meeting held on 6 November 2008.

(ii) Previous financial year:

In accordance with the provisions of the Company's Long-term Incentive Plan, 243,928 performance rights were granted on 2 November 2007 to senior Executives including the Managing Director. The issue of performance rights to the Managing Director was approved by the Company's shareholders at the Company's Annual General Meeting held on 2 November 2007.

Further details of performance rights granted under the Company's Long-term Incentive Plan are contained in sections (f) (iv) and (g) (ii) of the Remuneration Report and in notes 5 (c) (ii) and 38 (a) to the financial statements.

28. Reserves

	Consolidated 2009	Consolidated 2008	Company 2009	Company 2008
	\$'000	\$'000	\$'000	\$'000
Equity-settled employee benefits	809	625	809	625
Hedging	(1,278)	29	-	-
Asset revaluation	4,632	4,632	-	-
	4,163	5,286	809	625
(a) Equity-settled employee benefits reserve				
Balance at the beginning of the financial year	625	160	625	160
Share-based payment	184	397	184	397
Related income tax	-	68	_	68
Balance at the end of the financial year	809	625	809	625
the grant of ordinary shares to the Chief Executive Officer pursuant to entitlements under his employment contract and in respect of performance rights issued to the Chief Executive Officer and senior Executives pursuant to the Company's Long-term Incentive Plan. Amounts are transferred out of the reserve and into issued capital when the shares are issued.				
(b) Hedging reserve				
Balance as at the beginning of the financial year	29	349	-	-
Gain/(loss) recognised on cash flow hedges:				
Forward exchange contracts	(2,228)	(26)	-	-
Income tax related to gains/losses recognised in equity	668	8	-	-
Transfer to profit or loss:				
Forward exchange contracts	361	(430)	-	-
Income tax related to gains/losses transferred to profit or loss	(108)	128	-	-
Balance at the end of the financial year	(1,278)	29	-	-
The hedging reserve represents hedging gains and losses recognised on the effective portion of cash flow hedges. The cumulative deferred gain or loss on the hedge is recognised in profit or loss when the hedged transaction impacts the profit or loss, or is included as a basis adjustment to the non-financial hedged item, consistent with the applicable accounting policy.				
(c) Asset revaluation reserve				
Balance as at the beginning of the financial year	4,632	4,632	-	-

4,632

The asset revaluation reserve arises on the revaluation of freehold land and freehold and leasehold buildings. Where a revalued land or building is sold, that portion of the asset revaluation reserve which relates to that asset, and is effectively realised, is transferred directly to retained profits.

(Refer to note 14 for details of independent valuation of freehold land and freehold and leasehold buildings).

Revaluation increments

Deferred tax liability arising on revaluation

Balance as at the end of the financial year

4,632

Notes to the Financial Statements For the Year Ended 30 June 2009 (cont.)

Tassal Group Limited and Controlled Entities

29. Retained Earnings

	Consolidated 2009	Consolidated 2008	Company 2009	Company 2008
	\$'000	\$'000	\$'000	\$'000
Balance at the beginning of the financial year	47,530	34,259	1,902	1,182
Net profit attributable to members of the parent entity	30,084	20,467	11,148	7,916
Dividends provided for or paid (refer to note 31)	(10,135)	(7,196)	(10,135)	(7,196)
Balance at the end of the financial year	67,479	47,530	2,915	1,902

30. Earnings Per Share (EPS)

	Consolidated 2009	Consolidated 2008
	(Cents per share)	(Cents per share)
Earnings per ordinary share		
Basic (cents per share) (1)	22.20	16.46
Diluted (cents per share) (ii)	22.09	16.39
 Basic earnings per share is calculated by dividing the net profit for the reporting period by the weighted average number of ordinary shares of the Company. 		
(ii) Diluted earnings per share is calculated by dividing the net profit for the reporting period by the weighted average number of ordinary shares outstanding including dilutive potential ordinary shares.		
	2009	2008
	No. '000	No. '000
Weighted average number of ordinary shares used as the denominator in the calculation of EPS		
Number for basic EPS	135,523	124,326
Shares deemed to be issued for no consideration in respect of performance rights issued pursuant	704	507
to Long-term Incentive Plan	701	587
Number for diluted EPS	136,224	124,913
	2009	2008
	\$'000	\$'000
Earnings used as the numerator in the calculation of EPS $^{\scriptsize (0)}$		
Earnings for basic EPS	30,084	20,467
Earnings for diluted EPS	30,084	20,467

⁽i) Earnings used in the calculation of basic and diluted earnings per share is as per net profit in the income statement.

31. Dividends

	Year Ended 30	June 2009	Year Ended 30	June 2008
	Cents per share	\$'000	Cents per share	\$'000
(a) Recognised amounts				
Fully paid ordinary shares				
Interim dividend in respect of current financial year				
Unfranked	4.00	5,420	3.00	4,017
Final dividend paid in respect of prior financial year				
Unfranked	3.50	4,715	2.75	3,179
	7.50	10,135	5.75	7,196
The Company has not paid tax and therefore has no franking credits available at the reporting date.				
(b) Unrecognised amounts				
Fully paid ordinary shares				

On 25 August 2009, the Directors declared a final unfranked dividend of \$5.464 million (4.00 cents per ordinary share) in respect of the financial year ended 30 June 2009. The record date for determining entitlements to this dividend is 18 September 2009. The final dividend will be paid on 8 October 2009.

4.00

5,464

3.50

4,715

The Company's Dividend Re-investment Plan will apply to the final dividend, with a discount rate of 5% applicable.

The Company has executed an Underwriting Agreement to underwrite that portion of the Final Dividend payment that is not taken up by shareholders pursuant to the Dividend Reinvestment Plan. This will assist funding the Company's ongoing capital investment initiatives underpinning the Company's Strategic Plan FY2015.

The Company will not have any franking credits available for distribution at the date of the dividend payment. Franking credits will arise when the Company makes income tax payments.

The final dividend in respect of ordinary shares for the year ended 30 June 2009 has not been recognised in this preliminary final report because the final dividend was declared subsequent to 30 June 2009.

No portion of the unfranked final dividend declared for the financial year ended 30 June 2009 constitutes Conduit Foreign Income.

32. Commitments for Expenditure (1)

Final dividend in respect of current financial year

	Consolidated 2009	Consolidated 2008	Company 2009	Company 2008
	\$'000	\$'000	\$'000	\$'000
Capital expenditure commitments				
Plant and equipment				
Not longer than 1 year	19,919	6,399	-	-
Longer than 1 year and not longer than 5 years	-	-	-	-
Longer than 5 years	-	-	-	-
	19,919	6,399	-	-

⁽i) Finance lease liabilities and non-cancellable operating lease commitments are disclosed in note 33 to the financial statements.



For the Year Ended 30 June 2009 (cont.)

Tassal Group Limited and Controlled Entities

33. Leases

(a) Finance lease liabilities

	Minimum future lease payments					Present value future lease		
	Consc	olidated	Company		Consolidated		Comp	oany
	2009	2008	2009	2008	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Not later than 1 year	14,431	8,004	-	-	12,380	6,474	-	-
Later than 1 year and not later than 5 years	24,201	17,666	-	-	22,337	15,677	-	-
Later than 5 years	408	541	-	-	355	451	-	-
Minimum lease payments*	39,040	26,211	-	-	35,072	22,602	-	-
Less future finance charges	(3,968)	(3,609)	-	-	-	-	-	-
Present value of minimum lease payments	35,072	22,602	-	-	35,072	22,602	-	-
Included in the financial statements as:								
Current borrowings (refer to note 20)					12,380	6,474	-	-
Non-current borrowings (refer to note 24)					22,692	16,128	-	-
					35,072	22,602	-	-

 $^{^{\}star}$ Minimum future lease payments includes the aggregate of all lease payments and any guaranteed residual. Finance lease liabilities relate to various plant and equipment with lease terms of up to ten years.

(b) Non-cancellable operating leases

	Consolidated 2009	Consolidated 2008	Company 2009	Company 2008
	\$'000	\$'000	\$'000	\$'000
Not longer than 1 year	2,723	2,154	-	-
Longer than 1 year and not longer than 5 years	6,196	5,350	-	-
Longer than 5 years	3,585	4,422	-	-
	12,504	11,926	-	-

The consolidated entity leases property and equipment under non-cancellable operating leases with terms of one to ten years. Contracts for specific property leases for hatchery, processing and marine lease infrastructure are for terms of 10 years, with options to renew for a further 5 year term incorporating contract CPI review clauses.

Contracts for specific property leases for corporate offices and related infrastructure are for an initial term of 5 years with an option to renew for a further 5 year term incorporating market review clauses.

34. Contingent Liabilities and Contingent Assets

There are no contingent liabilities or contingent assets at the date of this Annual Financial Report.

35. Investments in Controlled Entities

Details of controlled entities are reflected below:

Name of entity	Country of incorporation	Ownership interest		
		2009	2008	
Parent entity:				
Tassal Group Limited (1)	Australia			
Controlled entities: (ii)				
Tassal Operations Pty Ltd (iii) (v)	Australia	100%	100%	
Aguatas Pty Ltd (iv) (v)	Australia	100%	100%	

Notes:

- (i) Tassal Group Limited is the head entity within the tax-consolidated group and also the ultimate parent entity.
- (ii) These companies are members of the tax-consolidated group.
- (iii) Tassal Operations Pty Ltd was established as a wholly-owned subsidiary on 19 September 2003.
- (iv) Aquatas Pty Ltd was acquired on 18 March 2005 pursuant to a Merger Agreement with Webster Limited.
- (v) On 28th June 2006 these wholly-owned subsidiaries entered into a deed of cross guarantee with Tassal Group Limited for the purpose of obtaining for these wholly-owned subsidiaries the benefit of relief from complying with certain accounting and audit requirements of the Corporations Act (including the requirements to prepare and lodge an audited financial report) granted by ASIC by an order made under sub-section 340(1) of the Corporations Act on 27th June 2006. The order made by ASIC relieves these wholly-owned subsidiaries from complying with the same provisions of the Corporations Act as they would be relieved from complying with if they satisfied the conditions set out in ASIC Class Order 98/1418.

36. Segment Information

The following is an analysis of the consolidated revenue and consolidated results for the period, analysed by geographical segment, the consolidated entity's primary basis of segmentation.

	Segn	Segment p	rofit/(loss)	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Australia	340,366	257,566	50,345	37,174
Other	16,817	29,932	(393)	534
	357,183	287,498	49,952	37,708
Unallocated	139	385	(10,840)	(10,665)
Consolidated revenue (i)	357,322	287,883		
Profit before income tax expense			39,112	27,043
Income tax (expense)/benefit			(9,028)	(6,576)
Profit for the year			30,084	20,467

⁽i) Consolidated segment revenues excludes equity accounted profits

(a) Segment assets and liabilities

All assets and liabilities as shown in the Balance Sheet relate to Australia except for trade receivables of \$0.254 million (2008:\$0.702 million) and trade payables of \$1.765 million (2008: \$2.086 million) which related to the Other geographical segment.

(b) Other segment information

There is no other information relating to the Other segment. Other segment information related to the Australian segment comprises 100% of the disclosures for depreciation as set out in note 3 (c), 100% of the amount of acquisition of assets disclosed in note 14 and note 16 and 100% of the carrying value of investments accounted for using the equity method as disclosed in note 12.



For the Year Ended 30 June 2009 (cont.)

Tassal Group Limited and Controlled Entities

37. Seasonality

The consolidated entity's principal activities, being principally the farming, processing and marketing of Atlantic Salmon are not generally subject to material or significant seasonal fluctuations.

38. Related Party Disclosures

Identity of related parties

The following persons and entities are regarded as related parties:

(a) Controlled entities:

Tassal Operations Pty Ltd

Aguatas Pty Ltd

(Refer to note 35 for details of equity interests in the above controlled companies).

(b) Associates and jointly controlled entities:

Salmon Enterprises of Tasmania Pty Ltd

Springfield Hatcheries Pty Ltd

Pink Restaurant Pty Ltd

MIC Pty Ltd

(Refer to note 12 for details of equity interests in the above associates and jointly controlled entities).

(c) Key Management Personnel:

Directors and other Key Management Personnel also include close members of the families of Directors and other Key Management Personnel.

Transactions between related parties

(a) Key Management Personnel

In determining the disclosures noted below, the Key Management Personnel have made appropriate enquiries to their best ability and the information presented reflects their knowledge.

Other than as disclosed herein, the Key Management Personnel are not aware of any relevant transactions, other than transactions entered into during the year with Directors and Executives of the Company and its controlled entities and with close members of their families which occur within a normal employee, customer or supplier relationship on terms and conditions no more favourable than those, it is reasonable to expect the entity would have adopted if dealing at arm's length with an unrelated person.

- (i) Loans
 - There have been no loans entered into during or since the end of the financial year to Key Management Personnel.
- (ii) Compensation

Details of Key Management Personnel compensation are disclosed in the Remuneration Report and in note 5 to the financial statements.

(a) Key Management Personnel (cont.)

(iii) Equity Holdings

(Fully paid ordinary shares of Tassal Group Limited)

The following tables show details and movements in equity holdings of fully paid ordinary shares during the respective current and prior reporting periods of each member of the Key Management Personnel of the consolidated entity:

2009:	Balance as at 1/7/08	Balance at appointment date (if applicable)	Granted as remuneration	On exercise of options	Net other change	Balance at resignation date (if applicable)	Balance as at 30/06/09	Balance held nominally
	No.	No.	No.	No.	No.	No.	No.	No.
Directors:								
C. Bright (Resigned 30 September 2008)*	35,139,372	_	-	-	-	35,139,372	N/A	-
D. Groves	-	-	-	-	3,000	-	3,000	-
A. McCallum	207,006	-	-	-	8,703	-	215,709	-
J. Monk	146,425	-	-	-	6,156	-	152,581	-
R. Roberts*	35,139,372	-	-	-	(7,000,000)	-	28,139,372	-
M. Ryan ¹	407,246	-	-	-	(107,000)	-	300,246	-
J. Watson	104,193	-	-	-	14,626	-	118,819	-
Other Key Manageme	ent Personnel:							
M. Asman	2,622	-	-	-	110	-	2,732	-
N. Burrows	10,000	-	-	-	-	-	10,000	-
K. Little	-	-	-	-	-	-	-	-
N. Petracca	-	-	-	-	-	-	-	-
D. Williams	-	-	-	-	-	-	-	-
Total	71,156,236	-	-	-	(7,074,405)	35,139,372	28,942,459	-

^{* 28,139,372} ordinary shares are held by Webster Limited. Mr Roberts was a Director of Webster Limited throughout the financial year ended 30 June 2009. Mr Bright was a Director of Webster Limited from 1 July 2008 until his resignation on 5 February 2009.

Mr D. Robinson was a Director from 30 September 2008 to 20 November 2008 and did not hold any ordinary shares throughout this period.

2008:	Balance as at 1/7/07	Balance at appointment date (if applicable)	Granted as remuneration	On exercise of options	Net other change	Balance at resignation date (if applicable)	Balance as at 30/06/08	Balance held nominally
	No.	No.	No.	No.	No.	No.	No.	No.
Directors:								
C. Bright*	32,611,753	-	-	-	2,527,619	-	35,139,372	-
D. Groves	-	-	-	-	-	-	-	-
A. McCallum	180,366	-	-	-	26,640	-	207,006	-
J. Monk	110,449	-	-	-	35,976	-	146,425	-
R. Roberts*	32,611,753	-	-	-	2,527,619	-	35,139,372	-
M. Ryan ¹	403,673	-	-	-	3,573	-	407,246	-
J. Watson	85,437	-	-	-	18,756	-	104,193	-
Other Key Manag	ement Personnel:							
M. Asman	-	-	-	-	2,622	-	2,622	-
N. Burrows	10,000	-	-	-	-	-	10,000	-
K. Little	-	-	-	-	-	-	-	-
N. Petracca	-	-	-	-	-	-	-	-
D. Williams	-	-	-	-	-	-	-	-
Total	66,013,431	-	-	-	5,142,805	-	71,156,236	-

^{* 35,139,372} ordinary shares are held by Webster Limited. Both Mr Bright and Mr Roberts were Directors of Webster Limited throughout the financial year ended 30 June 2008.



Details of Mr Ryan's share-based remuneration arrangements are separately disclosed in the Remuneration Report and note 5 (c).

Details of Mr Ryan's share-based remuneration arrangements are separately disclosed in the Remuneration Report and note 5 (c).

For the Year Ended 30 June 2009 (cont.)

Tassal Group Limited and Controlled Entities

38. Related Party Disclosures (cont.)

(a) Key Management Personnel (cont.)

(iii) Equity Holdings (cont.)

Long-term Incentive Plan - Performance Rights

The following table shows details and movements in equity holdings of performance rights granted pursuant to the Company's Long-term Incentive Plan during the current reporting period of each member of the Key Management Personnel of the consolidated entity:

Delenes et

2009:	Balance as at 1/7/08	Balance at appointment date (if applicable)	Granted	Vested	Lapsed	Net Change Other	Balance as at 30/6/09	Balance held nominally
	No.	No.	No.	No.	No.	No.	No.	No.
Directors:								
C. Bright (Resigned 30 September 2008)	-	-	-	-	-	-	-	-
D. Groves	-	-	-	-	-	-	-	-
A. McCallum	-	-	-	-	-	-	-	-
J. Monk	-	-	-	-	-	-	-	-
R. Roberts	-	-	-	-	-	-	-	-
M. Ryan (1)	256,035	-	97,413	(170,338)	(18,926)	-	164,184	-
J. Watson	-	-	-	-	-	-	-	-
Other Key Management Personnel:								
M. Asman	79,385	-	37,881	(50,614)	(5,624)	-	61,028	-
N. Burrows	76,079	-	27,114	(50,614)	(5,624)	-	46,955	-
K. Little	54,865	-	19,553	(36,501)	(4,056)	-	33,861	-
N. Petracca	68,973	-	24,581	(45,887)	(5,099)	-	42,568	-
D. Williams	76,079	-	9,213	(50,614)	(5,624)	-	29,054	-
Total	611,416	-	215,755	(404,568)	(44,953)	-	377,650	-

Mr D. Robinson was a Director from 30 September 2008 to 20 November 2008 and did not hold nor was granted any performance rights during this period.

⁽¹⁾ Details of Mr Ryan's share-based remuneration arrangements are separately disclosed in the Remuneration Report and note 5 (c).

		appointment				
2008:	Balance as at 1/7/07	date (if applicable)	Granted	Net Change Other	Balance as at 30/6/08	Balance held nominally
	No.	No.	No.	No.	No.	No.
Directors:						
C. Bright	-	-	-	-	-	-
D. Groves	-	-	-	-	-	-
A. McCallum	-	-	-	-	-	-
J. Monk	-	-	-	-	-	-
R. Roberts	-	-	-	-	-	-
M. Ryan (1)	189,264	-	66,771	-	256,035	-
J. Watson	-	-	-	-	-	-
Other Key Management Personnel:						
M. Asman	56,238	-	23,147	-	79,385	-
N. Burrows	56,238	-	19,841	-	76,079	-
K. Little	40,557	-	14,308	-	54,865	-
N. Petracca	50,986	-	17,987	-	68,973	-
D. Williams	56,238	-	19,841	-	76,079	-
Total	449,521	-	161,895	-	611,416	-

⁽¹⁾ Details of Mr Ryan's equity based remuneration arrangements are separately discussed in the Remuneration Report and note 5 (c).

All performance rights granted to Key Management Personnel were granted in accordance with the provisions of the Company's Long-term Incentive Plan. On 30 June 2009, 404,568 performance rights which were granted during the financial year ended 30 June 2007 vested to Key Management Personnel. Refer to the Remuneration Report and note 5 to the financial statements, for further details.



Tassal Group Limited and Controlled Entities

(a) Key Management Personnel (cont.)

(iv) Other transactions

Excluding contracts of employment, no Key Management Personnel have entered into a contract or other transactions with the Company or the consolidated entity during the financial year and there were no contracts or other transactions involving Key Management Personnel's interests subsisting at year end.

(b) Controlled entities

Tassal Group Limited is the ultimate parent entity in the wholly-owned group comprising the Company and its wholly-owned controlled entities.

Details of dividend revenue derived by the entity from entities in the wholly-owned group are disclosed in note 3 to the financial statements.

Transactions between the Company and its controlled entities have been eliminated in the consolidated financial statements.

The aggregate amounts of transactions between the Company and its controlled entities are in the respective classification categories in the financial statements. The nature, terms and conditions of each different type of transaction area as follows:

Inter-entity loans:

Loans between the Company and its controlled entities are unsecured and advanced on an interest free basis. (Refer to note 7 to the financial statements).

(c) Associates and jointly controlled entities

(i) Purchase (sales) of goods and services

The Company and the consolidated entity entered into transactions with the following associate and jointly controlled entities for the supply of smolt (juvenile salmon), ancillary related items and the sale of various goods and services. These transactions were conducted on normal commercial terms and conditions

	Consolidated	Consolidated	Company	Company
Entity	2009	2008	2009	2008
	\$	\$	\$	\$
Salmon Enterprises of Tasmania Pty Ltd	3,864,195	5,167,172	-	-
Springfield Hatcheries Pty Ltd	2,289,685	1,642,858	-	-
Pink Restaurant Pty Ltd	(13,611)	(11,828)	-	-
MIC Pty Ltd	700,000	-	-	-
	6,840,269	6,798,202	-	-

⁽ii) Loans due from

During the financial year the consolidated entity advanced funds to Pink Restaurant Pty Ltd for the purposes of assisting the associated entity to purchase mechanical services infrastructure. Interest is charged and paid monthly at an interest rate of 9.00% (2008: 9.00%). Funds advanced are secured by the assets, the value of which exceeds the loan receivable.

	Consolidated	Consolidated	Company	Company
Entity	2009	2008	2009	2008
	\$	\$	\$	\$
Pink Restaurant Pty Ltd	91,739	102,426	-	-
	91,739	102,426	-	-

For the Year Ended 30 June 2009 (cont.)

Tassal Group Limited and Controlled Entities

39. Notes to the Cash Flow Statement

	Consolidated 2009	Consolidated 2008	Company 2009	Company 2008
	\$'000	\$'000	\$'000	\$'000
(a) For the purposes of the Cash Flow Statement, cash and cash equivalents includes cash on hand and in banks and short-term deposits at call, net of outstanding bank overdrafts. Cash and cash equivalents as at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the balance sheet as follows:				
Cash and cash equivalents	3,682	7,093	-	-
Bank overdraft	-	-	-	-
	3,682	7,093	-	-
(b) Reconciliation of profit for the period to net cash flows from operating activities:				
Profit for the period	30,084	20,467	11,148	7,916
Depreciation and amortisation of non-current assets	8,029	7,376	-	-
Depreciation – impact of allocation to cost of live and processed fish inventories	1,607	1,559	_	-
Net increment in biological assets	(4,674)	(983)	-	-
(Gain)/loss on sale of fixed assets	(22)	15	-	-
(Increase)/decrease in deferred tax balances	8,834	6,576	3,511	1,638
Increase/(decrease) in current tax liability	194	-	194	-
Share of associates' and jointly controlled entities' profits	(459)	(428)	-	-
Equity settled share-based payment	184	397	184	397
Changes in net assets and liabilities net of effects from acquisition of businesses				
(Increase)/decrease in assets:				
Inventories ^{®®}	(9,399)	(3,434)	-	-
Biological assets®	(13,878)	(16,341)	-	-
Current trade and other receivables	(4,199)	(9,580)	(15,037)	(9,951)
Prepayments	114	(14)	-	-
Current other financial assets	295	(305)	-	-
Non-current other financial assets	11	8	-	-
Increase/(decrease) in liabilities:				
Current trade and other payables	6,098	3,360	-	-
Other current liabilities	(40)	(32)	-	-
Other current financial liabilities	359	-	-	-
Current provisions	880	315	-	-
Other non-current liabilities	(9)	27	-	-
Non-current provisions	(23)	44	-	-
Net cash provided by operating activities	23,986	9,027	-	-

Changes in inventories and biological assets are shown net of the profit impact of AASB 141 'Agriculture'.

⁽ii) In respect of the financial year ended 30 June 2008, includes \$2.336 million relating to inventory purchased in conjunction with the acquisition of the Superior Gold trademark.

	Consolidated 2009	Consolidated 2008	Company 2009	Company 2008
	\$'000	\$'000	\$'000	\$'000
(c) Financing facilities				
Secured revolving bank overdraft facility subject to annual review and payable at call				
- Amount used	-	-	-	-
- Amount unused	5,500	5,500	-	-
	5,500	5,500	-	-
Secured facilities with various maturity dates through to 2010 and payable at call				
- Amount used	24,853	7,415	-	-
- Amount unused	13,147	30,585	-	-
	38,000	38,000	-	-
Revolving lease finance facilities subject to annual review and payable at call with individual lease terms no greater than 10 years				
- Amount used	48,882	32,243	-	-
- Amount unused	16,118	5,757	-	-
	65,000	38,000	-	-

(d) Non-cash financing and investing activities

(i) Share issued pursuant to Company's Dividend Reinvestment Plan:

Current financial year:

On 24 October 2008, 748,651 ordinary shares were issued pursuant to the Company's Dividend Reinvestment Plan at an issue price of \$2.0513. A discount of 5% was applicable.

On 2 April 2009, 1,103,387 ordinary shares were issued pursuant to the Company's Dividend Reinvestment Plan at an issue price of \$1.6287. A discount of 5% was applicable.

Previous financial year:

On 30 October 2007, 825,015 ordinary shares were issued pursuant to the Company's Dividend Reinvestment Plan at an issue price of \$3.1069. A discount of 5% was applicable.

On 24 April 2008, 848,943 ordinary shares were issued pursuant to the Company's Dividend Reinvestment Plan at an issue price of \$2.4078. A discount of 5% was applicable.

For the Year Ended 30 June 2009 (cont.)

Tassal Group Limited and Controlled Entities

40. Financial Instruments

(a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

(b) Financial risk management objectives and derivative financial instruments

The Group's activities expose it to a variety of financial risks which include operational control risk, market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management program focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

The consolidated entity enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including:

- · forward foreign exchange contracts to hedge the exchange rate risk arising on the purchase and sale of imported and exported supply of salmon.
- · interest rate swaps to mitigate the risk of rising interest rates.

The use of financial derivatives is governed by the consolidated entity's policies approved by the Board of Directors, which provide written principles on the use of financial derivatives.

The consolidated entity does not enter into or trade financial instruments, including derivative instruments, for speculative purposes.

The Group uses different methods to mitigate different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and foreign exchange risk and aging analysis for credit risk.

There has not been any material change to the objectives, policies and processes for managing financial risk during the year or in the prior year.

(c) Capital risk management

The consolidated entity manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the consolidated entity consists of debt, which includes the borrowings disclosed in notes 20 and 24, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in notes 27, 28 and 29 respectively.

Operating cash flows are significantly used to maintain and expand the consolidated entity's biological asset and property plant and equipment asset base, as well as to make the routine outflows of tax, dividends and timely repayment of maturing debt. The consolidated entity's policy is to use a mixture of equity and debt funded instruments in order to meet anticipated requirements.

Gearing ratio

The Board of Directors review the capital structure on a regular basis and in conjunction with the Group's formulation of its annual operating plan and strategic plan updates. The Group has a target gearing ratio of 30% - 35% that is determined as the proportion of net debt to equity. The Group balances its overall capital structure through the payment of dividends, new shares and borrowings.

The gearing ratio at year end was as follows:

Net debt to equity ratio					
Consolidated		Company			
2009	2008	2009	2008		
\$'000	\$'000	\$'000	\$'000		
73,759	39,686	-	-		
(3,682)	(7,093)	-	-		
70,077	32,593	-	-		
211,247	189,088	143,329	138,799		
33.17%	17.24%	0.00%	0.00%		
	2009 \$'000 73,759 (3,682) 70,077 211,247	Consolidated 2009 2008 \$'000 \$'000 73,759 39,686 (3,682) (7,093) 70,077 32,593 211,247 189,088	Consolidated Comp 2009 2008 2009 \$'000 \$'000 \$'000 73,759 39,686 - (3,682) (7,093) - 70,077 32,593 - 211,247 189,088 143,329		

⁽i) Debt is defined as long and short term borrowings as detailed in notes 20 and 24

(d) Market risk management

Market risk is the risk of loss arising from adverse movements in observable market instruments such as foreign exchange and interest rates.

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rates and foreign currency risk, including

- forward foreign exchange contracts to hedge the exchange risk arising from purchases and sales in foreign currencies [refer note 40 (e)]; and
- interest rate swaps, options and collars to partially mitigate the risk of rising interest rates [refer note 40 (f)].

⁽ii) Equity includes all capital and reserves.

(e) Foreign currency risk management

The consolidated entity undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

Forward foreign exchange contracts

The consolidated entity regularly assesses the need to enter into forward exchange contracts where it agrees to buy and sell specified amounts of foreign currencies in the future at a pre-determined exchange rate. The objective is to match the contracts with anticipated future cash flows from purchases and sales in foreign currencies, to protect the consolidated entity against the possibility of loss from future exchange rate fluctuations. The forward exchange contracts are usually for no longer than two years.

The consolidated entity's enters into forward exchange contracts to hedge all foreign currency plant and equipment purchase in excess of 50,000 Australian Dollars and regularly assesses the need to hedge a proportion (up to 100%) of foreign exchange sales expected over a two year timeframe.

The following table details the forward foreign currency contracts outstanding as at reporting date:

Outstanding contracts	Average exch	ange rate	Foreign cu	ırrency	Contract	value	Fair value Asse	Fair value Asset/(liability)		
	2009 2	2008	2009	2008	2009	2008	2009	2008		
		FC'000	FC'000	\$'000	\$'000	\$'000	\$'000			
Consolidated										
Buy Danish Krone										
Less than 3 months	4.1792	4.4519	11,000	16,500	2,632	3,706	(58)	(73)		
3 to 6 months	-	4.4396	-	23,000	-	5,181	-	(70)		
Sell Japanese Yen										
Less than 3 months	97.24	95.78	256,500	248,000	2,638	2,589	(670)	138		
3 to 6 months	96.84	-	550,000	-	5,680	-	(1,458)	-		
Sell US Dollars										
3 to 6 months	-	0.9106	-	500	-	549	-	18		
Longer than 6 months	-	0.9106	-	1,500	-	1,647	-	29		
					10,950	13,672	(2,186)	42		

Foreign currency sensitivity analysis

The consolidated entity has exposure to US dollars (USD), Japanese Yen (JPY) and Danish Krone (DKK).

The following table details the consolidated entity's sensitivity to a 10% increase and decrease in the Australian Dollar against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number indicates an increase in profit or loss and equity where the Australian Dollar strengthens against the respective currency. For a weakening of the Australian Dollar against the respective currency there would be an equal and opposite impact on the profit or loss and equity, and the balances below would be reversed.

		DKK in	npact			JPY im	pact		USD impa		npact	oact	
	Consoli	dated	Comp	any	Consoli	dated	Comp	any	Consoli	dated	Comp	any	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Profit /(loss)®	155	205	-	-	(114)	(46)	-	-	(13)	(16)	-	-	
Equity(ii)	184	622	_	-	(484)	(181)	-	-	-	(154)	-	-	

- (i) This is mainly attributable to the pre-tax exposure outstanding on the relevant foreign currency denominated receivables and payables at year end in the Group.
- (ii) This is mainly as a result of changes in the fair value of derivative instruments designated as cash flow hedges in the relevant foreign currency.

For the Year Ended 30 June 2009 (cont.)

Tassal Group Limited and Controlled Entities

40. Financial Instruments (cont.)

(f) Interest rate risk management

The consolidated entity is exposed to interest rate risk as it borrows funds at both fixed and floating interest rates. The risk is managed by the consolidated entity by maintaining an appropriate mix between fixed and floating rate borrowings and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite; ensuring optimal hedging strategies are applied, by either positioning the balance sheet or protecting interest expense through different interest rate cycles.

Pursuant to the consolidated entity's Treasury Policy, the Company may use interest rate swap contracts to manage interest rate exposure. Under these contracts, the Company agrees to exchange the difference between fixed and floating interest amounts calculated on agreed notional principal amounts. Such contracts enable the Company to mitigate the risk of rising interest rates and debt held.

The fair value of interest rate swaps are based on market values of equivalent instruments at the reporting date and are disclosed in the following table. The average interest rate is based on the outstanding balances at the end of the financial year.

The following table details the notional principal amount and remaining terms of interest rate swap contracts outstanding as at reporting date:

Outstanding floating for fixed contracts		contracted erest rate		l principal ount	Fair	Value
	2009	2008	2009	2008	2009	2008
	%	%	\$'000	\$'000	\$'000	\$'000
Consolidated						
Less than 1 year	-	6.37%	-	13,500	-	195
			-	13,500	-	195

Interest rate sensitivity analysis

The sensitivity analyses in the following table have been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. The following table details the consolidated entity's sensitivity to a 1% increase and decrease in interest rates against the relevant exposures. A positive number indicates an increase in profit or loss where interest rates increase. For a reduction in interest rates against the respective exposures, there would be an equal and opposite impact on the profit or loss and the balances below would be reversed. The Group's sensitivity to interest rates has decreased during the current period due to the reduction in variable debt instruments.

		Interest rate risk					
	Consc	Consolidated		Company			
	2009	2008	2009	2008			
	\$'000	\$'000	\$'000	\$'000			
Financial Assets							
Cash and cash equivalents	37	71	-	-			
Total Profit/(Loss)	37	71	-	-			

(g) Liquidity risk management

Liquidity risk refers to the risk that the consolidated entity or the Company will not be able to meet its financial obligations as they fall due.

The consolidated entity and the Company undertake the following activities to ensure that there will be sufficient funds available to meet obligations:

- prepare budgeted annual and monthly cash flows;
- measurement and tracking of actual cash flows on a daily basis with comparison to budget on a monthly basis;
- matching the maturity profile of financial assets and liabilities; and
- · delivering funding flexibility through maintenance of a committed borrowing facility in excess of budgeted usage levels.

Included in note 39 (c) is a summary of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

Liquidity and interest rate tables

The following tables detail the consolidated entity and Company's expected maturity for its non-derivative financial assets and contractual maturity for non-derivative financial liabilities.

Consolidated

	Average interest rate	Less than 1 year	1 to 5 years	More than 5 years	Total
2009	%	\$'000	\$'000	\$'000	\$'000
Financial assets					
Non-interest bearing:					
Trade receivables	-	19,625	-	-	19,625
Other receivables	-	3,965	-	-	3,965
Other financial assets	-	500	-	43	543
Variable interest rate:					
Cash and cash equivalents	1.50%	3,682	-	-	3,682
Fixed interest rate maturity:					
Other financial assets	9.00%	11	53	28	92
		27,783	53	71	27,907
Financial liabilities					
Non-interest bearing:					
Trade payables	_	29,035	_	_	29,035
Other payables	-	6,407	-	-	6,407
Fixed interest rate maturity:					
Cash advance	3.98%	-	24,853	_	24,853
Finance lease liabilities	6.00%	12,380	22,337	355	35,072
Bank loans	5.08%	13,810	,	-	13,810
Other loans	8.20%	3	21	_	24
		61,635	47,211	355	109,201
Company					
	Average	Less than	1 to 5	More than	
	interest rate	1 year	years	5 years	Total
2009	%	\$'000	\$'000	\$'000	\$'000
Financial assets					
Non-interest bearing:					
Other receivables	-	113,451	-	-	113,451
	-	113,451	-	-	113,451

For the Year Ended 30 June 2009 (cont.)

Tassal Group Limited and Controlled Entities

40. Financial Instruments (cont.)

(g) Liquidity risk management (cont.)

Liquidity and interest rate tables (cont.)

Consolidated

	Average interest rate	Less than 1 year	1 to 5 years	More than 5 years	Total
2008	"interest rate"	\$'000	\$'000	\$'000	\$'000
Financial assets	/0	φ 000	\$ 000	\$ 000	\$ 000
Non-interest bearing:					
Trade receivables		17,638			17,638
Other receivables	•	1,753	-	-	1,753
	-		-	- 40	
Other financial assets	-	836	-	43	879
Variable interest rate:					
Cash and cash equivalents	6.60%	7,093	-	-	7,093
Fixed interest rate maturity:					
Other financial assets	9.00%	11	53	39	103
		27,331	53	82	27,466
Financial liabilities					
Non-interest bearing:					
Trade payables	-	25,952	-	-	25,952
Other payables	-	3,181	-	-	3,181
Fixed interest rate maturity:					
Cash advance	7.66%	-	7,415	-	7,415
Finance lease liabilities	7.75%	6,474	15,677	451	22,602
Bank loans	8.39%	9,642	-	-	9,642
Other loans	8.20%	3	24	-	27
		45,252	23,116	451	68,819
Company					
	Average	Less than	1 to 5	More than	
	interest rate	1 year	years	5 years	Total
2008	%	\$'000	\$'000	\$'000	\$'000
Financial assets					
Non-interest bearing					
Other receivables	-	105,216	<u>-</u>	-	105,216
		105,216	_	-	105,216

(h) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations or commitments resulting in financial loss to the consolidated entity. To help manage this risk, the consolidated entity has adopted the policy of only dealing with creditworthy counterparties in accordance with established credit limits and where appropriate obtaining sufficient collateral or other security generally via trade credit insurance arrangements. The overall financial strength of customers is also monitored through publicly available credit information.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the consolidated entity's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

The consolidated entity maintains a provision account, described in the Annual Financial Report as an allowance for doubtful debts, which represents the estimated value of specific trade receivables that may not be recovered. A general provision is not maintained. Unallocated receivables are charged to the allowance for doubtful debts account.

(i) Fair value of financial instruments

Other than the interest rate swap contracts and forward foreign exchange contracts, the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their respective fair values, determined in accordance with the summary of accounting policies disclosed in note 1 to these financial statements and having regard to likely future cash flows.

Directors' Declaration

Tassal Group Limited and Controlled Entities

Directors' Declaration

The Director's declare that:

- 1. In the opinion of the Directors of Tassal Group Limited (the Company):
- (a) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (b) the attached financial statements and notes set out on pages 38 to 86, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Company and consolidated entity as at 30 June 2009 and of their performance, for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Act 2001.
- 2. At the date of this declaration, the Company and its subsidiaries are the parties to a deed of cross guarantee entered into for the purpose of obtaining for the Company's subsidiaries the benefit of relief from complying with certain accounting and audit requirements of the Corporations Act granted by ASIC by an order made under subsection 340 (1) of the Corporations Act on 27 June 2006. The order made by ASIC relieves the Company's subsidiaries from complying with the same provisions of the Corporations Act as they would be relieved from complying with if they satisfied the conditions set out in ASIC Class Order 98/1418. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor of each other company which is party to the deed payment in full of any debt owed by each other company.
 - In the Directors' opinion, there are reasonable grounds to believe that the Company and each of its wholly-owned subsidiaries, being the parties to the deed of cross guarantee as detailed in note 35 to the financial statements will, as a group, be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.
- 3. The Directors have been given the declarations required by section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2009.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the Directors

A. D. McCallum Chairman

Hobart, this 30th day of September 2009

Independent Auditor's Report

Tassal Group Limited and Controlled Entities



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Independent auditor's report to the members of Tassal Group Limited Report on the Financial Report

We have audited the accompanying financial report of Tassal Group Limited, which comprises the balance sheet as at 30 June 2009, and the income statement, cash flow statement and statement of changes in equity for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Directors' Declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 38 to 87.

Directors' Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1 the Directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's Opinion

In our opinion:

- (a) the financial report of Tassal Group Limited is in accordance with the Corporations Act 2001, including:
 - giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 27 to 35 of the Directors' Report for the year ended 30 June 2009. The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Tassal Group Limited for the year ended 30 June 2009, complies with section 300A of the Corporations Act 2001

Deloite Touche Tohnuatu

Deloitte Touche Tohmatsu

Allie

D Harradine Partner Chartered Accountants Hobart, 30 September 2009

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu



Additional Stock Exchange Information

Tassal Group Limited and Controlled Entities

The following additional information is provided in accordance with the ASX Listing Rules as at 4 September 2009.

Number of holder of equity securities

Ordinary share capital (quoted)

136,589,971 fully paid ordinary shares are held by 4,565 shareholders. At a general meeting, every shareholder present in person or by proxy, attorney of representative has one vote on a show of hands and, on a poll, one vote for each fully paid share held.

Performance rights (unquoted)

646,514 performance rights granted pursuant to the Company's Long-term Incentive Plan are held by 17 employees. A performance right to ordinary shares does not entitle a participant under the Plan to voting rights, participation in new issues of securities or to receive dividends. In the event that shares are issued under the Plan at the end of the performance period pursuant to the performance rights, those shares will rank equally with existing ordinary shares, including entitlement to voting rights.

Distribution of holders of equity securities

Number of equity securities held	Ordinary Shares			Performance Rights		
	No. of holders	No. of shares	% of shares	No. of holders	No. of rights	% of rights
1 – 1,000	1,164	635,737	0.47	-	-	-
1,001 – 5,000	2,094	5,576,468	4.08	-	-	-
5,001 – 10,000	714	5,420,796	3.97	-	-	-
10,001 - 100,000	556	13,246,042	9.70	16	482,330	74.60
100,001 and over	37	111,710,928	81.78	1	164,184	25.40
	4,565	136,589,971	100.00	17	646,514	100.00

The number of shareholders holding less than a marketable parcel of 284 fully paid ordinary shares on 4 September 2009 is 308 and they hold 36,480 fully paid ordinary shares.

Substantial shareholders

The following organisations have disclosed a substantial shareholder notice to ASX.

Name	Number of ordinary shares	% of voting power advised
Webster Limited	28,139,372	20.60
JF Capital Partners Limited	13,154,828	9.63
The Capital Group Companies Inc	11,529,641	8.44
Acom Capital Limited	10,956,767	8.02

90 Additional Stock Exchange Information (cont.)

Tassal Group Limited and Controlled Entities

Twenty largest holders of quoted ordinary shares

Name	Number of shares	% of issued capital
Webster Limited	28,139,372	20.60
National Nominees Limited	23,440,730	17.16
JP Morgan Nominees Australia Limited	17,610,218	12.89
HSBC Custody Nominees (Australia) Limited	16,410,696	12.01
ANZ Nominees Limited <cash a="" c="" income=""></cash>	4,076,059	2.98
Citicorp Nominees Pty Limited	3,357,771	2.46
Cogent Nominees Pty Limited	2,784,741	2.04
AMP Life Limited	2,671,091	1.96
ANZ Nominees Limited <income a="" c="" plan="" reinvest=""></income>	2,637,032	1.93
Mirrabooka Investments Limited	2,079,877	1.52
Queensland Investment Corporation	1,205,124	0.88
Citicorp Nominees Pty Limited < Cwlth Bank Off Super A/C>	1,045,840	0.77
HSBC Custody Nominees (Australia) Limited-GSCO ECA	832,204	0.61
Cogent Nominees Pty Ltd <smp accounts=""></smp>	640,293	0.47
RBC Dexia Investor Services Australia Nominees Pty Limited <bkcust a="" c=""></bkcust>	520,084	0.38
The University of Melbourne	440,003	0.32
Mr Mark Ryan	300,246	0.22
Mirrabooka Investments Limited	300,000	0.22
Garmaral Pty Ltd	294,539	0.22
Amcil Limited	285,000	0.21
Total	109,070,920	79.85

On-market buy-back

There is no current on-market buy-back.

Tassal Group Limited and Controlled Entities

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Tassal Group Limited and Controlled Entities

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