

Press release – June 2008

Tasmanian success calls for more investment

The superb quality of Tasmanian beef is beginning to shine through with big increases in sales both on the domestic and international markets.

The company saw of a lot of potential for Tasmanian beef when it acquired the Smithton plant a few years ago. Tasmanian really has a unique environmental advantage. Cattle benefit from the higher rainfall and better pastures, compared with the mainland, and the result is superb meat.

We have been pushing the advantages of Tasmanian beef in Japan and Korea for quite some time and those markets, especially Korea, are really starting to work for us. The signing of the exclusive deal with Lotte Mart takes our export activity to a new level.

Some really intensive marketing activity has been undertaken in recent months to raise awareness of Tasmanian beef. The well established Tasmanian Natural Beef brand has been reinvigorated and given a lot of promotional support. Retailers are really taking notice of the new look and starting to understand the differences between Tasmanian and other Australian product.

The other success story has been the introduction of a second brand aimed at the better quality restaurant trade. Cape Grim Tasmanian Natural Beef has also been supported with extensive promotional materials that tell the story of the brand - how it takes its inspiration from the super clean air collected at the Cape Grim monitoring station just up the road from Smithton.

Cape Grim has gained wide acceptance in the restaurant trade in a very short time and clearly has enormous potential.

The growth resulting from these activities is happening much faster than anticipated. It is now clear that we urgently need to upgrade facilities such as the boning room at Smithton. Unless we invest in the plant and improve its capacity, opportunities will be lost.

Therefore, the board has decided to make this investment and work will start as soon as possible.

Because of the large investment required to meet this Tasmanian market potential, and the urgency of the task, it has been necessary to defer work on the proposed chilling facilities at Tongala until a later date.