ASX ANNOUNCEMENT

TAG PACIFIC RECORDS SOLID GAINS

Sydney - 31 August 2005 - Tag Pacific Limited (ASX: TAG, NZX: TPC) has reported another year of solid gains in which the profit from core operating activities increased substantially. The company is to pay a steady dividend of 0.5 cents per share (A$) franked to 40%.

Group revenue from operating activities increased by 19% to A$60.420 million and earnings from operating activities before outside equity interests increased substantially from an EBIT of A$2.520 million in 2004 to A$3.428 million during the period under review.

Profit from non-operating activities was aided by the A$0.690 million increase in the carrying value of the Company's investment in IBA Health Limited. The comparative figure in 2004 was A$2.677 million, with this differential masking the underlying strength in the recurring profit stream attributable to members. The 13.3 million shares held in IBA Health Limited are carried at A$0.40 per share (2004: A$0.35 per share).

All operating subsidiaries recorded improved results, particularly Potter Interior Systems Limited (100% owned) which lifted sales and profitability to an all time high. Whilst Comprador Pacific Pty Limited (51% owned) also made gains, it still has some way to go before attaining the desired performance level.

M+H Power Systems Pty Limited (55% owned) also performed very well, again delivering record level sales and profitability in all fields of endeavour.

During the year Group subsidiaries increased the scale of their operating activities. In January 2005 Comprador Pacific Pty Limited acquired the business of Charles Tims, a well-respected manufacturer of whiteboards, notice boards and other allied board products and then absorbed into it the complementary activities of Comprador's Brisbane based manufacturing activities.

At much the same time, M+H Power Systems Pty Limited took its first step into the field of electrical generators by acquiring the Perth based business of GenPower. The rationale for this centres on M+H Power's desire to become a fully integrated supplier of backup power products and to advance further into the renewable energy sector.

Unique World (27% owned) gained momentum in the second half of the financial year with Tag recording an equity accounted profit contribution for the first time.

The Tag Group is well advanced in its plans to establish new streams of business, both within existing areas of activity and beyond into new fields. A number of projects are in progress and the Group expects to be able to release details in the near future.

ENDS

For further information contact :
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Appendix 4E

Preliminary Final Report to the Australian Stock Exchange

Name of Entity	TAG PACIFIC LIMITED
ACN	009 485 625
Financial Year Ended	30 JUNE 2005
Previous Corresponding Reporting Period	30 JUNE 2004

Results for Announcement to the Market

	$'000	Percentage increase /(decrease) over previous corresponding period
Revenue from ordinary activities	61,127	14%
Profit from ordinary activities after tax attributable to members	1,702	(44%)
Net profit for the period attributable to members	1,702	(44%)

Dividends (distributions)	**Amount per security**	**Franked amount per security**
Final Dividend	0.5 cents	0.2 cents
Previous corresponding period	0.5 cents	0.3 cents

Record date for determining entitlements to the dividends (if any)	14 September 2005

Brief explanation of any of the figures reported above necessary to enable the figures to be understood:

Revenue from core operating activities increased by 19% from A$50.987m in 2004 to A$60.420m in 2005. Most sectors in which the company traded increased their level of sales, both in Australia and New Zealand.

The increase in profit from operating activities was pleasing, with EBIT contributions before minority interests and movements in the value of listed investments rising substantially.

EBIT contribution from operating activities rose 36% from A$2.520m in 2004 to A$3.428m in 2005.

The holding in ASX listed IBA Health Limited was revalued from 35c per share to 40c per share at 30 June 2005. This revaluation contributed A$690,000 to the profit result. In 2004, the contribution from revaluations of listed company investments was A$2.677m.

Dividends

A dividend of 0.5 cents per share, franked to 60%, was paid to members of Tag Pacific Limited on 11 November 2004.
A dividend of 0.5 cents per share, franked to 40%, is now declared. This dividend has not been provided for in the balance sheet at 30 June 2005.

NTA Backing

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security	25.3¢	23.4¢

Other Significant Information Needed by an Investor to Make an Informed Assessment of the Entity's Financial Performance and Financial Position

Refer attached release.

Commentary on the Results for the Period

The earnings per security and the nature of any dilution aspects : Basic earnings per share were 2.6 cents per share. Diluted earnings per share were 2.6 cents per share.
Significant features of operating performance : Refer attached release
The results of segments that are significant to an understanding of the business as a whole are detailed in Note 23 in the financial statements which are enclosed as Attachment 1.
Discussion of trends in performance : Refer attached release
Any other factor which has affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified: Refer attached release

Audit/Review Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited		The accounts have been subject to review	
The accounts are in the process of being audited or subject to review	✓	The accounts have not yet been audited or reviewed	
If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification: No			
If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification: N/A			

Attachments Forming Part of Appendix 4E

Attachment #	**Details**
1.	Financial statements

Signed By Chairman	
Print Name	Peter Wise
Date	31 August 2005

TAG PACIFIC LIMITED AND CONTROLLED ENTITIES
Statement of Financial Performance
For the year ended 30 June 2005

		Consolidated	
		Jun 2005	Jun 2004
	Note	$'000	$'000
Revenue from ordinary activities	*2*	61,127	53,552
Cost of sales		(41,322)	(34,549)
Employee benefits expense		(9,437)	(8,275)
Depreciation and amortisation		(368)	(351)
Borrowing costs expense	*3*	(313)	(282)
Occupancy expense		(1,381)	(1,272)
Other expenses from operating activities		(5,390)	(4,762)
Share of net profits of associates accounted for using the equity method	*11*	72	-
Profit from ordinary activities before income tax	*3*	2,988	4,061
Income tax relating to ordinary activities	*4*	(621)	(493)
Profit from ordinary activities after income tax		2,367	3,568
Net profit attributable to outside equity interest		(665)	(551)
Net profit attributable to members of the parent entity		1,702	3,017
Net exchange difference on translation of financial reports of self-sustaining foreign operations	*19*	12	72
Total revenues, expenses and valuation adjustments attributed to members of the parent entity and recognised directly in equity		12	72
Total changes in equity other than those resulting from transactions with owners as owners		1,714	3,089
Basic earnings per share (cents per share)	*22*	2.6	4.6
Diluted earnings per share (cents per share)	*22*	2.6	4.6

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

TAG PACIFIC LIMITED AND CONTROLLED ENTITIES
Statement of Financial Position
As at 30 June 2005

		Consolidated	
		Jun 2005	Jun 2004
	Note	$'000	$'000
CURRENT ASSETS			
Cash assets	*6*	4,757	5,419
Receivables	*7*	11,372	8,726
Inventories	*8*	10,542	8,981
Deferred tax assets	*9*	1,087	741
TOTAL CURRENT ASSETS		27,758	23,867
NON-CURRENT ASSETS			
Other financial assets	*10*	5,839	5,324
Equity accounted investment	*11*	1,190	1,118
Property, plant and equipment	*12*	1,689	1,287
Intangible assets	*13*	415	136
TOTAL NON-CURRENT ASSETS		9,133	7,865
TOTAL ASSETS		36,891	31,732
CURRENT LIABILITIES			
Payables	*14*	9,453	8,654
Interest bearing liabilities	*15*	4,056	2,158
Tax liabilities	*16*	364	388
Provisions	*17*	935	745
TOTAL CURRENT LIABILITIES		14,808	11,945
NON-CURRENT LIABILITIES			
Interest bearing liabilities	*15*	770	922
Provisions	*17*	171	12
TOTAL NON-CURRENT LIABILITIES		941	934
TOTAL LIABILITIES		15,749	12,879
NET ASSETS		21,142	18,853
EQUITY			
Contributed equity	*18*	15,741	15,404
Reserves	*19*	802	790
Retained profits/(Accumulated losses)	*20*	586	(789)
TOTAL EQUITY		17,129	15,405
Outside equity interest	*21*	4,013	3,448
TOTAL EQUITY		21,142	18,853

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

TAG PACIFIC LIMITED AND CONTROLLED ENTITIES
Statement of Cash Flows
For the year ended 30 June 2005

	Note	Consolidated Jun 2005 $'000	Jun 2004 $'000
Cash flows from operating activities			
Receipts from customers		66,408	59,133
Payments to suppliers and employees		(65,612)	(57,652)
Dividends received		66	-
Interest received		213	272
Income tax paid		(972)	(318)
Borrowing costs		(313)	(282)
Net operating cash flows	*24*	(210)	1,153
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		17	19
Payments for investments acquired		(88)	(960)
Payments for new businesses		(1,688)	-
Payments for property, plant and equipment		(611)	(421)
Cash received from acquisition of subsidiary		-	1,013
Net investing cash flows		(2,370)	(349)
Cash flows from financing activities			
Repayment of borrowings		(193)	(86)
Proceeds from loan repayment		282	-
Payments to outside equity interests		(113)	(21)
Proceeds from borrowings		1,932	-
Dividend paid		(327)	-
Proceeds from issue of shares		337	-
Payment for selective capital reduction		-	(366)
Share buy-back payment		-	(39)
Net financing cash flows		1,918	(512)
Net (decrease)/increase in cash		(662)	292
Cash at beginning of year		5,419	5,112
Effect of exchange rates on cash holdings in foreign currencies		-	15
Cash at end of year	*6*	4,757	5,419

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

There have been no significant or material changes to the accounting policies adopted by Tag Pacific Limited and its controlled entities from those used and described in Tag Pacific Limited's 2004 Annual Report.

The impact of the adoption of Australian Equivalents to International Financial Reporting Standards is immaterial and will be fully disclosed in the Annual Report.

	Consolidated	
	Jun 2005 $'000	**Jun 2004 $'000**
NOTE 2: REVENUE FROM ORDINARY ACTIVITIES		
Operating activities:		
- sale of goods & services	59,892	50,601
- interest from other corporations	202	259
- interest from associated entities	11	13
- other revenue	315	114
	60,420	50,987
Non-operating activities:		
Movements in provision for diminution in carrying value of investments in:		
- IBA Health Limited	690	2,677
- Microview Limited	-	(131)
	690	2,546
Proceeds on disposal of other financial assets	17	19
Total other revenues	707	2,565
	61,127	53,552
NOTE 3: PROFIT FROM ORDINARY ACTIVITIES		
The profit from ordinary activities before income tax has been determined after:		
Expenses		
Borrowing costs		
- other persons	291	256
- finance lease charges	22	26
	313	282

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	Consolidated	
	Jun 2005 $'000	**Jun 2004 $'000**
NOTE 3: PROFIT FROM ORDINARY ACTIVITIES (CONT'D)		
Depreciation of non-current assets		
- plant & equipment	234	176
- capitalised leased assets	78	97
Total depreciation	312	273
Amortisation of non-current assets		
- goodwill	4	38
- leasehold improvements	45	34
- trademarks	7	7
Total Amortisation	56	79
Bad and doubtful debts		
- movement in provision	33	19
- bad debts written off	179	52
Net bad and doubtful debt expense	212	71
Operating lease rentals	1,489	1,272
Gain on sale of other financial assets	-	19
Gain on sale of property, plant and equipment	3	-
NOTE 4: INCOME TAX		
The prima facie tax expense on profit at 30% from ordinary activities before income tax is reconciled to the income tax expense as follows:	896	1,218
Add tax effect of:		
- non-allowable items	113	100
- non-deductible diminution & amortisation	3	13
- under provision in prior year	11	1
- difference in overseas tax rates	23	3
Less tax effect of:		
- non-assessable items	(227)	(809)
- deductible items not claimed	(177)	(33)
- share of net profits of associates	(21)	-
Income tax expense attributable to profit from ordinary activities before income tax	621	493

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	Consolidated	
	Jun 2005 $'000	Jun 2004 $'000
NOTE 5: DIVIDENDS PAID		
Final dividend of 0.5 cents per share franked to 60%	327	-
Balance of franking account at year end	38	63
NOTE 6: CASH		
Cash at bank and on hand	2,793	2,373
Short-term deposits	1,964	3,046
	4,757	5,419
Reconciliation of Cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash	4,757	5,419
	4,757	5,419
NOTE 7: RECEIVABLES		
Trade debtors	10,711	8,626
Provision for doubtful debts	(108)	(118)
Total trade debtors	10,603	8,508
Other debtors and prepayments	769	218
	11,372	8,726
NOTE 8: INVENTORIES		
Raw materials – at cost	986	416
Work in progress – at cost	65	601
Finished stock – at cost	9,491	7,964
	10,542	8,981

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	Consolidated	
	Jun 2005	**Jun 2004**
	$'000	**$'000**
NOTE 9: DEFERRED TAX ASSETS		
Future income tax benefits	1,087	741
NOTE 10: OTHER FINANCIAL ASSETS		
Shares in listed corporations		
- cost	8,419	8,331
- provision for diminution	(2,615)	(3,305)
	5,804	5,026
Market value of shares in listed corporations at 30 June 2005: $6,923,221 (2004: $5,215,000).		
Other unlisted investments at cost	35	298
	5,839	5,324

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 11: EQUITY ACCOUNTED INVESTMENTS

Electro Securities Pty Ltd holds a 50% (2004: 50%) interest in Power Property Nominees Pty Ltd and a 46% (2004: 46%) interest in the units of the Power Property Unit Trust, which owns the property occupied by M+H Power Systems Pty Ltd in Melbourne. All profits of the Power Property Unit Trust are distributed to unit holders and accordingly Electro Securities Pty Ltd does not equity account these interests.

Tagpac Securities Ltd holds a 27% (2004:27%) interest in Unique World Group Pty Ltd.

	Consolidated	
	Jun 2005 $'000	**Jun 2004 $'000**
Movements during the year in equity accounted investment in associated company/companies:		
Balance at the beginning of financial year	1,118	2,367
Less:		
- associate acquired as controlled entity	-	(2,367)
Add:		
- reclassification from other investments		518
- new investments during the year	-	600
- share of associated companies profit from ordinary activities after income tax	72	-
	1,190	1,118
Share of associates' profit from ordinary activities before income tax	72	-
Share of associates income tax	-	-
Share of associates' profit from ordinary activities after income tax	72	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	Consolidated	
	Jun 2005	**Jun 2004**
	$'000	**$'000**
NOTE 12: PROPERTY, PLANT AND EQUIPMENT		
Plant and Equipment		
- at cost	2,364	2,297
- accumulated depreciation	(1,301)	(1,626)
	1,063	671
Leasehold improvements at cost	437	394
Accumulated amortisation	(124)	(125)
	313	269
Capitalised leased assets	594	543
Accumulated amortisation	(281)	(196)
	313	347
Total property, plant & equipment	1,689	1,287

Movements in carrying amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

	Plant and equipment $'000	Leasehold Improvements $'000	Leased plant and equipment $'000	Total $'000
Tag Group				
Balance at the beginning of year	671	269	347	1,287
Additions	630	88	51	769
Disposals	(13)	-	-	(13)
Depreciation expense	(227)	(45)	(85)	(357)
Effect of exchange rate differences between the beginning and end of year	2	1	-	3
Carrying amount at end of year	1,063	313	313	1,689

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

		Consolidated Jun 2005 $'000	Consolidated Jun 2004 $'000
NOTE 13:	**INTANGIBLE ASSETS**		
Goodwill			
-	at cost	919	699
-	amortisation	(669)	(665)
		250	34
Trademarks			
-	at cost	218	148
-	amortisation	(53)	(46)
		165	102
		415	136
NOTE 14:	**PAYABLES**		
Unsecured liabilities			
-	trade creditors	7,840	7,385
-	sundry creditors and accrued expenses	1,613	1,269
		9,453	8,654
NOTE 15:	**INTEREST BEARING LIABILITIES**		
Current			
-	bank loans (secured)	3,931	2,059
-	lease liabilities (unsecured)	125	99
		4,056	2,158
Non-current			
-	bank loans (secured)	522	657
-	lease liabilities (unsecured)	248	265
		770	922

Bank overdraft and loans are fully secured by registered mortgage debentures given by controlled entities.

		Consolidated Jun 2005 $'000	Consolidated Jun 2004 $'000
NOTE 16:	**TAX LIABILITIES**		
Income tax		364	388
		364	388

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	Consolidated	
	Jun 2005 $'000	Jun 2004 $'000
NOTE 17: PROVISIONS		
Current		
Employee entitlements	877	696
Warranties	58	49
	935	745
Non Current		
Employee entitlements	171	12
	171	12
Aggregate employee entitlements	1,048	708
Number of employees at year end	162	128
NOTE 18: CONTRIBUTED EQUITY		
66,804,745 (2004: 65,452,969) fully paid ordinary shares	15,741	15,404
Ordinary Shares		
At the beginning of the reporting period	15,404	15,443
Shares issued during the year		
- 1,351,776 on 15 November 2004	337	-
Shares bought back during the year		
- 206,825 on 30 June 2004	-	(39)
At reporting date	15,741	15,404

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	Consolidated	
	Jun 2005 $'000	Jun 2004 $'000
NOTE 19: RESERVES		
Capital reserve	659	659
Foreign currency translation reserve	143	131
	802	790
Movements during year:		
Capital reserve		
Opening balance	659	659
Closing balance	659	659
The capital reserve records a capital profit from the realisation of a non-current asset		
Foreign currency translation reserve		
Opening balance	131	59
Adjustment arising from the translation of self-sustaining foreign controlled entities' financial statements	12	72
Closing balance	143	131

The foreign currency translation reserve records exchange differences arising on translation of self-sustaining foreign controlled entities.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	Consolidated Jun 2005 $'000	Consolidated Jun 2004 $'000
NOTE 20: RETAINED PROFIT/ (ACCUMULATED LOSSES)		
(Accumulated losses) at beginning of year	(789)	(3,806)
Net profit attributable to the members of the parent entity	1,702	3,017
Dividend paid	(327)	-
Retained profit/(accumulated losses) at end of year	586	(789)
NOTE 21: OUTSIDE EQUITY INTEREST IN CONTROLLED ENTITIES		
Outside equity interests comprise:		
- capital	1,501	1,480
- profits	2,512	1,968
	4,013	3,448
NOTE 22: EARNINGS PER SHARE		
Reconciliation of earnings to net profit		
Net profit	2,367	3,568
Net profit attributable to outside equity interest	(665)	(551)
Earnings used in the calculation of basic and diluted earnings per share	1,702	3,017

Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share: 66,516,407 (2004: 65,452,969), and 66,804,745 (2004: 65,452,969) for diluted earnings per share.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note: 23 SEGMENTAL INFORMATION

	BUILDING PRODUCTS		POWER PRODUCTS		INVESTMENT		TAG GROUP	
	2005	2004	2005	2004	2005	2004	2005	2004
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
PRIMARY REPORTING - BUSINESS SEGMENTS								
Revenue								
External revenue	38,491	31,322	21,723	19,393	913	2,837	61,127	53,552
Share of net profits of equity accounted associates	0	0	0	0	72	0	72	0
Total revenue from ordinary activities	38,491	31,322	21,723	19,393	985	2,837	61,199	53,552
Result								
Segment result	978	120	2,236	2,216	985	2,761	4,199	5,097
Unallocated expenses							(1,211)	(1,036)
Profit from ordinary activities before income tax	978	120	2,236	2,216	985	2,761	2,988	4,061
Income tax							(621)	(493)
Profit from ordinary activities after income tax	978	120	2,236	2,216	985	2,761	2,367	3,568
Assets								
Segment assets	16,995	12,382	9,767	8,993	10,129	10,357	36,891	31,732
Liabilities								
Segment liabilities	12,794	9,331	2,679	3,275	276	273	15,749	12,879
Other								
Acquisitions of non-current segment assets	575	258	288	239	280	960	1,143	1,457
Depreciation and amortisation of segment assets	274	260	80	81	14	11	368	352

	AUSTRALIA		NEW ZEALAND		TAG GROUP	
	2005	2004	2005	2004	2005	2004
	$'000	$'000	$'000	$'000	$'000	$'000
SECONDARY REPORTING - GEOGRAPHIC SEGMENTS						
Segment revenues	37,198	32,950	24,001	20,602	61,199	53,552
Segment assets	27,965	24,511	8,926	7,221	36,891	31,732
Acquisition of non-current assets	981	1,198	162	259	1,143	1,457

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	Consolidated	
	Jun 2005	Jun 2004
	$'000	$'000

NOTE 24: CASH FLOW INFORMATION

Reconciliation of cash flow from the operating activities with profit after income tax

Profit from operating activities after income tax	2,367	3,568
Non-cash flows		
- amortisation	56	79
- depreciation	312	273
- charges to provisions	(549)	(1,882)
- share of associated companies operating profit after income tax	(72)	-
(Gain) on sale of property, plant and equipment	(3)	(19)
Changes in assets and liabilities		
- (increase) in receivables	(1,586)	(626)
- (increase) in inventories	(871)	(155)
- increase in trade creditors & accruals	487	232
- income tax payable	(351)	(317)
Cash flow provided by operating activities	(210)	1,153

Unused credit facilities

Arrangements with banks to provide stand-by funds and/or support facilities	5,212	3,581
Amounts utilised at year end	4,454	2,716
Net available at year end	758	865

Bank Overdrafts and Loans
Bank overdraft and loan facilities are arranged with a number of Australian and New Zealand banks with the general terms and conditions being set and agreed to annually.

Interest rates are variable and subject to adjustment.

Non-cash financing and investment activities
During the year the economic entity acquired plant and equipment with an aggregate value of $51,721 (2004:$75,836) by means of finance leases. These acquisitions are not reflected in the statement of cash flows.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 25: CONTINGENT LIABILITIES

A contingent liability exists whereby if certain provisions are met and a key performance indicator is reached or exceeded a further payment of A$75k will become payable on 11 February 2007 in respect of the purchase of the business of GenPower. It is not possible to ascertain whether this amount will be payable or not.