ASX LISTING RULES APPENDIX 4D

Tag Pacific Limited
Results for Announcement to the Market
for the period ended 31 December 2011

Tag Pacific Limited announces the following results for the Company and its controlled entities for the half year ended 31 December 2011. The results have been subject to review by the Company's external auditor.

Results for Announcement to the Market

	Six months to 31 December 2011 A$'000	Six months to 31 December 2010 A$'000	Change %
Revenue from ordinary activities	38,055	36,881	3
Other income/(loss)	3,137	(1,040)	402
Profit/(loss) after tax attributable to members	3,967	(142)	2,894
Net profit/(loss) for the period attributable to members	3,967	(142)	2,894

Other income/(loss) during the period is comprised of changes in the fair value of listed investments, realised gains arising from the sale of a listed investment and an equity accounted investment during the period.

Dividends

A dividend of 0.75 cents per share (totalling $529,552) franked to 100% at the corporate income tax rate of 30% was declared on 29 August 2011 and paid on 5 October 2011.

A special dividend of 0.50 cents per share (totalling $356,786) franked to 100% at the corporate income tax rate of 30% has been declared with a record date of 2 March 2012 and a payment date of 26 March 2012.

The Tag Pacific Limited Dividend Reinvestment Plan ('DRP') will operate in relation to the dividend to be paid on 26 March 2012. The last election date for participation in the DRP is 2 March 2012. Shares issued under the DRP will be issued at an issue price to be determined by the directors in accordance with the terms of the DRP and will rank equally in all respects from the date of allotment with the Company's fully paid ordinary shares.

Net Tangible Assets per Share

Net tangible assets per share as at 31 December 2011 was 35.1 cents (30 June 2011: 30.6 cents per share).

Details of entities over which control has been gained or lost during the period

On 15 November 2011 MPower Business Services Pty Limited was incorporated as a wholly owned subsidiary of MPower Group Pty Limited (59.3% owned).

Details of Associates and Joint Venture Entities

Name of Entity	Percentage Held (%)		Share of Net (Loss)/Profit (A$'000)	
	Current Period	Previous Period	Current Period	Previous Period
Unique World Group Pty Ltd	Nil	37.9	(147)	196

The equity accounted investment in Unique World Group Pty Ltd was sold during the period yielding a net gain on disposal of $3,029,144.

For further information please see the attached Half Year Financial Report.

Tag Pacific Limited
ABN 73 009 485 625

Half Year Financial Report
31 December 2011

DIRECTORS' REPORT

The directors submit the financial report of Tag Pacific Limited and its controlled entities (the Group) for the half year ended 31 December 2011. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

Directors
The names of directors who held office during the half year and until the date of this report are as follows. Directors were in office during and since the end of the half year unless otherwise stated:

Peter Wise
Gary Cohen
Robert Constable
Robert Moran
Richard Peterson
Gary Weiss

Review of Operations
The Group recorded a net profit after providing for income tax and eliminating non-controlling interests of $3,966,950 for the half year ended 31 December 2011 (31 December 2010: net loss of $142,197). Overall the results from the operating subsidiaries within the Group were positive notwithstanding the uncertain economic conditions which prevailed during the period.

The Group's investment in iSoft Group Limited was sold on 18 July 2011 for $1,838,875 resulting in a net realised gain of $108,169 (31 December 2010: fair value loss of $1,049,241).

The Group's equity accounted investment in Unique World Group Pty Limited was sold on 2 December 2011 resulting in a net realised gain of $3,029,144; an equity accounted loss of $146,748 for the period and fee income of $197,897 (2010: equity accounted income of $196,356).

Dividends Paid or Recommended
A dividend of 0.75 cents per share (totalling $529,552) franked to 100% at the corporate income tax rate of 30% was declared on 29 August 2011 and paid to the holders of fully paid ordinary shares on 5 October 2011 (2010: $nil). A special dividend of 0.50 cents per share (totalling $356,786) franked to 100% at the corporate income tax rate of 30% has been declared with a record date of 2 March 2012 and a payment date of 26 March 2012 (2010: no dividend declared).

Rounding off of Amounts
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 directors' report and the half year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Auditor's Independence Declaration
We have received an independence declaration from our auditors, Deloitte Touche Tohmatsu, under section 307C of the *Corporations Act 2001* a copy of which is attached on page 2 of the half year financial report.

Signed in accordance with a resolution of directors made pursuant to section 306(3) of the *Corporations Act 2001*.

On behalf of the directors

Peter Wise

…………………………….
Peter Wise
Chairman
Sydney, 21 February 2012

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Grosvenor Place
225 George Street
Sydney NSW 2000
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The Board of Directors
Tag Pacific Limited
Level 30 Piccadilly Tower
133 Castlereagh Street
SYDNEY NSW 2000

21 February 2012

Dear Board Members,

Tag Pacific 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 Tag Pacific Limited.

As lead audit partner for the review of the financial statements of Tag Pacific Limited for the half year ended 31 December 2011, 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 review; and
(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Tara Hill
Partner
Chartered Accountants

TAG PACIFIC LIMITED AND CONTROLLED ENTITIES
Condensed Consolidated Income Statement
For the half year ended 31 December 2011

	Note	Consolidated Half Year Ended 31 Dec 2011 A$'000	31 Dec 2010 A$'000
Continuing operations			
Revenue	**2**	38,055	36,881
Other income/(loss)	**2, 9**	3,137	(1,040)
Cost of sales		(24,969)	(27,040)
Employee benefits expense		(7,560)	(6,113)
Depreciation and amortisation expense		(225)	(161)
Finance costs		(276)	(161)
Other expenses	**3**	(2,343)	(1,448)
Share of (loss)/profit of associates	**9**	(147)	196
Profit before tax		**5,672**	**1,114**
Income tax expense		(801)	(401)
Profit for the period from continuing operations		**4,871**	**713**
Discontinued operations			
Profit/(Loss) for the period from discontinued operations		10	(89)
Profit for the period		**4,881**	**624**
Profit/(Loss) attributable to:			
Owners of the company		3,967	(142)
Non-controlling interest		914	766
		4,881	**624**
Earnings per share			
From continuing and discontinued operations:			
Basic (cents per share)		5.6	(0.2)
Diluted (cents per share)		5.5	(0.2)
From continuing operations:			
Basic (cents per share)		5.6	(0.1)
Diluted (cents per share)		5.5	(0.1)

The Condensed Consolidated Income Statement should be read in conjunction with the attached notes.

TAG PACIFIC LIMITED AND CONTROLLED ENTITIES
Condensed Consolidated Statement of Comprehensive Income
For the half year ended 31 December 2011

		Consolidated	
		Half Year Ended	
	Note	**31 Dec 2011 A$'000**	**31 Dec 2010 A$'000**
Profit for the period		4,881	624
Other comprehensive income			
Exchange differences arising on translation of foreign operations		7	(155)
Gain/(Loss) on cash flow hedges taken to equity		44	(499)
Net gain on revaluation of land and buildings	**7**	-	788
Income tax relating to components of other comprehensive income		-	21
Other comprehensive profit for the period (net of tax)		51	155
Total comprehensive income for the period		**4,932**	**779**
Total comprehensive income/(loss) attributable to:			
Owners of the company		4,005	(133)
Non-controlling interest		927	912
		4,932	**779**

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the attached notes.

TAG PACIFIC LIMITED AND CONTROLLED ENTITIES
Condensed Consolidated Statement of Financial Position
As at 31 December 2011

	Note	Consolidated As at 31 Dec 2011 A$'000	Consolidated As at 30 Jun 2011 A$'000
CURRENT ASSETS			
Cash and cash equivalents		20,051	11,346
Trade and other receivables		12,480	22,826
Inventories		13,926	16,021
Other assets		2,729	2,008
TOTAL CURRENT ASSETS		49,186	52,201
NON-CURRENT ASSETS			
Investments in associates	**9**	-	2,442
Other financial assets		17	1,748
Property, plant and equipment	**7**	3,492	3,404
Deferred tax assets		4,322	4,293
Intangible assets	**8**	3,257	2,998
TOTAL NON-CURRENT ASSETS		11,088	14,885
TOTAL ASSETS		60,274	67,086
CURRENT LIABILITIES			
Trade and other payables		9,401	20,124
Borrowings		6,086	6,088
Current tax liabilities		878	1,950
Provisions		2,165	1,968
Other liabilities		2,390	1,461
TOTAL CURRENT LIABILITIES		20,920	31,591
NON-CURRENT LIABILITIES			
Borrowings		2,155	2,396
Provisions		192	197
Other liabilities		273	481
TOTAL NON-CURRENT LIABILITIES		2,620	3,074
TOTAL LIABILITIES		23,540	34,665
NET ASSETS		36,734	32,421
EQUITY			
Issued capital	**5**	16,594	16,477
Reserves		787	745
Retained earnings		9,618	6,181
Equity attributable to owners of the company		26,999	23,403
Non-controlling interest		9,735	9,018
TOTAL EQUITY		36,734	32,421

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the attached notes.

TAG PACIFIC LIMITED AND CONTROLLED ENTITIES
Condensed Consolidated Statement of Changes in Equity
For the half year ended 31 December 2011

	Issued Capital A$'000	Retained earnings A$'000	Capital Reserve A$'000	Foreign Exchange Translation Reserve A$'000	Revaluation Reserve A$'000	Share Option Reserve A$'000	Cash Flow Hedge Reserve A$'000	Attributable to owners of the parent entity A$'000	Non-Controlling Interest A$'000	Total A$'000
Consolidated										
Balance at 1 July 2010	16,477	2,553	658	(276)	-	190	-	19,602	6,498	26,100
Profit for the period	-	(142)	-	-	-	-	-	(142)	766	624
Other comprehensive income										
Exchange differences arising on translation of foreign operations	-	-	-	(91)	-	-	-	(91)	(64)	(155)
Loss on cash flow hedge taken to equity	-	-	-	-	-	-	(290)	(290)	(209)	(499)
Net gain on revaluation of land and buildings	-	-	-	-	430	-	-	430	358	788
Income tax on other comprehensive income	-	-	-	-	(129)	-	89	(40)	61	21
Total comprehensive income/(loss) for the period	-	(142)	-	(91)	301	-	(201)	(133)	912	779
Payment of dividends	-	-	-	-	-	-	-	-	(251)	(251)
Balance at 31 December 2010	**16,477**	**2,411**	**658**	**(367)**	**301**	**190**	**(201)**	**19,469**	**7,159**	**26,628**
Balance at 1 July 2011	16,477	6,181	658	(372)	301	213	(55)	23,403	9,018	32,421
Profit for the period	-	3,967	-	-	-	-	-	3,967	914	4,881
Other comprehensive income										
Exchange differences arising on translation of foreign operations	-	-	-	11	-	-	-	11	(4)	7
Gain on cash flow hedge taken to equity	-	-	-		-	-	27	27	17	44
Income tax on other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	3,967	-	11	-	-	27	4,005	927	4,932
Recognition of share based payments	-	-	-	-	-	4	-	4	-	4
Issue of shares under dividend reinvestment plan	117	-	-		-	-	-	117	-	117
Payment of dividends	-	(530)	-		-	-	-	(530)	(210)	(740)
Balance at 31 December 2011	**16,594**	**9,618**	**658**	**(361)**	**301**	**217**	**(28)**	**26,999**	**9,735**	**36,734**

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the attached notes.

TAG PACIFIC LIMITED AND CONTROLLED ENTITIES
Condensed Consolidated Statement of Cash Flows
For the half year ended 31 December 2011

	Note	Consolidated Half Year Ended 31 Dec 2011 A$'000	31 Dec 2010 A$'000
Cash flows from operating activities			
Receipts from customers		53,555	39,034
Payments to suppliers and employees		(48,396)	(43,567)
Interest received		194	205
Interest and other costs of finance paid		(253)	(132)
Income tax paid		(1,901)	(523)
Net cash provided by/(used in) operating activities		3,199	(4,983)
Cash flows from investing activities			
Payment for property, plant and equipment		(272)	(205)
Payment for product development costs		(281)	-
Proceeds from sale of financial assets designated as at fair value through profit or loss		1,839	-
Dividends received from equity accounted investments		396	95
Net proceeds from sale of interests in associates	9	4,266	-
Net cash paid upon acquisition of subsidiary		(300)	(378)
Proceeds from sale of property, plant and equipment		-	149
Net cash provided by/(used in) investing activities		5,648	(339)
Cash flows from financing activities			
Dividends paid to members of the parent entity (net of equity issue)		(413)	-
Dividends paid to non-controlling interests		(184)	(169)
Distributions paid to non-controlling interests		(26)	(82)
Repayment of other loans		-	(500)
Proceeds from borrowings		11	2,550
Repayment of borrowings		(287)	(265)
Net cash (used in)/provided by financing activities		(899)	1,534
Net increase/(decrease) in cash and cash equivalents		7,948	(3,788)
Cash and cash equivalents at the beginning of the period		11,346	15,479
Cash held in escrow	9(i)	759	-
Effects of exchange rate changes on the balance of cash held in foreign currencies		(2)	(43)
Cash and cash equivalents at the end of the period		20,051	11,648

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the attached notes.

NOTES TO THE HALF YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2011

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The half year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half year financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

(b) Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of selected non-current assets and financial instruments. 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 directors' report and the half year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the company's 2011 annual financial report for the financial year ended 30 June 2011, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period.

There are no new and revised Standards and amendments thereof and Interpretations effective for the current reporting period that are relevant to the Group.

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior periods. The new and revised Standards and Interpretations has not had a material impact and not resulted in changes to the group's presentation of, or disclosure in, its half-year financial statements.

NOTES TO THE HALF YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2011

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Property, plant and equipment
Each class of property, plant and equipment is carried at cost or fair value where indicated less, where applicable, any accumulated depreciation and impairment losses.

Land and buildings
Freehold land and buildings are shown at their fair value being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction, based on a valuation by external independent valuers, less subsequent depreciation for buildings. Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity, all other decreases are charged to profit or loss. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost is transferred from the revaluation surplus to retained earnings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

	Consolidated Half Year Ended	
	31 Dec 2011 A$'000	31 Dec 2010 A$'000
NOTE 2: INCOME		
Continuing operations		
Sales revenue		
Sale of goods and services	37,550	36,679
Other revenue		
Interest revenue	256	189
Other revenue	249	13
Total other revenue	505	202
Total sales revenue and other revenue	38,055	36,881
Other income/(loss)		
Fair value loss on financial assets designated as at fair value through profit or loss	-	(1,049)
Gain recognised on disposal of financial assets designated as at fair value through profit or loss	108	-
Gain recognised on disposal of interest in former associate (refer to note 9)	3,029	-
Gains on disposal of assets	-	9
Total other income/(loss)	3,137	(1,040)
Total income	41,192	35,841

NOTES TO THE HALF YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2011

	Consolidated Half Year Ended 31 Dec 2011 A$'000	31 Dec 2010 A$'000
NOTE 3: EXPENSES		
Continuing operations		
Other expenses is comprised as follows:		
Rental expenses	557	382
Other expenses	1,786	1,066
Total other expenses	2,343	1,448

NOTE 4: DIVIDENDS

	31 Dec 2011 Cents per share	31 Dec 2011 Total A$'000	Half Year Ended 31 Dec 2010 Cents per share	31 Dec 2010 Total A$'000
During the period, Tag Pacific Limited made the following dividend payments:				
Final ordinary dividend franked to 100% at the tax rate of 30% paid on 5 October 2011 (2010: Nil)	0.75	530	-	-

	No.'000	31 Dec 2011 A$'000	No.'000	Consolidated 31 Dec 2010 A$'000
NOTE 5: ISSUE OF EQUITY SECURITIES				
Fully paid ordinary shares				
Balance at beginning of financial period	70,607	16,477	70,607	16,477
Issue of shares(i)	750	117	-	-
Share issue costs	-	-	-	-
Balance at end of financial period	71,357	16,594	70,607	16,477

(i) There were 750,240 fully paid ordinary shares issued at $0.155 pursuant to the Company's Dividend Reinvestment Plan during the period (2010: nil).

The company issued 600,000 share options (2010: nil) over ordinary shares under its executive share option plan during the half-year reporting period. These share options had a fair value at grant date of $0.01 per share option (2010: $nil).

NOTES TO THE HALF YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2011

NOTE 6: SEGMENT INFORMATION

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Tag Group's reportable segments are organised into 3 major sectors – power investments, fair value investments and other investments. These sectors are the basis on which the Tag Group reports its reportable segment information. The principal products and services of each of those sectors are as follows:

- Power investments – consists of MPower Group Pty Limited, MPower Business Services Pty Limited, MPower Products Pty Limited (formerly M+H Power Systems Pty Ltd), MPower Pacific Limited (formerly M+H Power Systems Limited), MPower Projects Pty Limited (formerly Advanced Power Pty Ltd), MPower Solar Systems Pty Limited (formerly Solaris Technology Pty Ltd) and MPower Nominees Pty Limited (formerly Advanced Power Southern Pty Ltd) (all 59.3% owned at 31 December 2011). This group is a leading provider of innovative and dependable power solutions for use in all manner of emergency, back-up, generated and renewable power situations in Australia, New Zealand and Fiji.

- Fair value investments – consists principally of Tag's investments in iSoft Group Limited which was sold on 18 July 2011.

- Other investments – consists principally of Tag's investment in Unique World Group Pty Limited (which was sold on 2 December 2011) and the Power Property Unit Trust. The Power Property Unit Trust owns a property occupied by a subsidiary of MPower Group Pty Limited in Melbourne, Victoria.

NOTES TO THE HALF YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2011

NOTE 6: SEGMENT INFORMATION (CONTINUED)

The following is an analysis of the group's revenue and results from continuing operations by reportable segment:

	Revenue		Segment profit	
	Half Year Ended		Half Year Ended	
	31 Dec 2011 A$'000	31 Dec 2010 A$'000	31 Dec 2011 A$'000	31 Dec 2010 A$'000
Continuing operations				
Power investments	37,721	36,836	3,596	2,947
Fair value investments	-	-	108	(1,049)
Gain recognised on disposal of interest in former associate	-	-	3,029	-
Other investments	334	45	121	45
Total for continuing operations	38,055	36,881	6,854	1,943
Share of (loss)/profits of associates			(147)	196
Depreciation and amortisation expense			(225)	(161)
Finance costs			(276)	(161)
Unallocated costs			(534)	(703)
Profit before income tax from continuing operations)			5,672	1,114
Discontinued operations				
Building products investments	24	16	10	(89)
Total for discontinued operations	24	16	10	(89)
Depreciation and amortisation expense			-	-
Finance costs			-	-
Profit/(loss) before income tax from discontinued operations			10	(89)
Income tax expense (continuing and discontinued operations)			(801)	(401)
Consolidated segment profit for the period			4,881	624

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of central administration costs and directors' salaries, profits of associates, depreciation and amortisation costs, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

NOTES TO THE HALF YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2011

NOTE 6: SEGMENT INFORMATION (CONTINUED)

The following is an analysis of the Group's assets by reportable operating segment:

	As at 31 Dec 2011 A$'000	As at 30 Jun 2011 A$'000
Continuing operations		
Power investments	44,489	53,868
Fair value investments	17	1,731
Other investments	1,873	4,335
Total segment assets	46,379	59,934
Unallocated assets	13,511	6,458
Assets (primarily cash) relating to discontinued operations	384	694
Total consolidated assets	60,274	67,086

All assets are allocated to reportable segments. There are no assets used jointly by reportable segments.

NOTE 7: PROPERTY, PLANT & EQUIPMENT

	As at 31 Dec 2011 A$'000	As at 30 Jun 2011 A$'000
Land and buildings		
– independent valuation[(i)]	1,805	1,805
Less: accumulated depreciation	(26)	(13)
Net balance at the end of the period	1,779	1,792
Plant & equipment		
– at cost	3,901	3,586
Less: accumulated depreciation	(2,188)	(1,974)
Net balance at the end of the period	1,713	1,612
Total property, plant & equipment	3,492	3,404

(i) The Group's land and buildings were revalued by an independent valuer during the period ended 31 December 2010. The revaluation surplus was credited to a revaluation surplus in shareholders' equity.

NOTES TO THE HALF YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2011

NOTE 8: INTANGIBLE ASSETS

	As at 31 Dec 2011 A$'000	As at 30 Jun 2010 A$'000
Goodwill		
Gross carrying amount		
Balance at beginning of the period	2,942	1,667
Additional amounts recognised from business combinations occurring during the period(i)	-	1,275
	2,942	2,942
Accumulated impairment losses		
Balance at beginning of the period	-	-
Movement during the period	-	-
Balance at end of the period	-	-
Net book value	2,942	2,942
Other intangibles		
Gross carrying amount		
Balance at beginning of the period	639	618
Additional amounts recognised during the period(ii)	281	21
	920	639
Accumulated impairment losses		
Balance at beginning of the period	(583)	(568)
Movement during the period	(22)	(15)
Balance at end of the period	(605)	(583)
Net book value	315	56
Total intangible assets	3,257	2,998

(i) Relates to goodwill recognised in relation to the acquisition of MPower Solar Systems Pty Limited (formerly Solaris Technology Pty Ltd).

(ii) Relates to internally generated product development costs capitalised during the period.

NOTES TO THE HALF YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2011

NOTE 9: INVESTMENTS IN ASSOCIATES

On 2 December 2011 Tag sold its shareholding in Unique World Group Pty Limited. As a result of the sale equity accounting of this associate ceased from this date and a net gain on sale of $3,029,144 was realised. An equity accounted loss of $146,748 was derived from 1 July 2011 to 2 December 2011.

	A$'000
Net proceeds received at settlement	4,266
Net proceeds receivable post settlement	168
Escrow funds[(i)]	759
Total proceeds on disposal of associate interest	5,193
Less: carrying amount of investment on disposal	(2,164)
Gain recognised on disposal of associate interest	3,029

(i) Escrow funds represent restricted cash balance funds being held in an interest bearing escrow account which will be released in two equal instalments on the first and second anniversaries of the transaction, subject to any warranty or other claims under the transaction documentation.

NOTE 10: CONTINGENCIES AND COMMITMENTS

There are no material changes in the contingent liabilities or contingent assets since the end of the last annual reporting period.

NOTE 11: SUBSEQUENT EVENTS

No matter or circumstance has arisen since the end of the financial period which significantly affected or may significantly affect the operation of the Group, the results of its operations, or the state of affairs of the Group in future financial periods.

DIRECTORS' DECLARATION

The directors declare that:

(a) In the directors' opinion, 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) In the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to section 303(5) of the *Corporations Act 2001*.

On behalf of the directors

....
Peter Wise
Chairman

Sydney, 21 February 2012

Deloitte.

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Independent Auditor's Review Report to the Members of Tag Pacific Limited

We have reviewed the accompanying half-year financial report of Tag Pacific Limited, which comprises the condensed statement of financial position as at 31 December 2011, and the condensed income statement, the condensed statement of comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 3 to 16.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Tag Pacific Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Tag Pacific Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Tag Pacific Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Tara Hill
Partner
Chartered Accountants
Sydney, 21 February 2012