



Market Release

18 August 2016

## Australian market access change opens doors for Tegel

Tegel Group Holdings Limited (NZX/ASX: TGH) is pleased to notify the market of a significant positive business change in market access to Australia. Previously exports from New Zealand into Australia were limited to products that had been fully cooked. Agreement has now been reached allowing the export of raw poultry products from New Zealand to Australia within the agreed access framework.

This announcement, is the result of a significant body of work undertaken by Tegel with the Ministry for Primary Industries (MPI) to secure changed access conditions based on New Zealand's high standard of bio security and low disease prevalence.

The total poultry market in Australia is approximately A\$7.1 bn<sup>1</sup>. In FY16, Tegel exported A\$70m of poultry to Australia, which represented a ~1% market share. The wider market access will allow for a significantly larger range of Tegel products to be exported into all segments of the Australian market. This regulatory change opens up significant additional export opportunities for Tegel into the Australian market, although the revenue upside cannot yet be quantified.

Tegel will immediately apply for new import permits and looks forward to the significantly increased business opportunities this change will present.

ENDS

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### About Tegel

Tegel Group Holdings Limited (NZX/ASX: TGH) processes approximately 50 million birds per year, across vertically integrated operations in Auckland, Christchurch and New Plymouth. It is New Zealand's leading poultry producer, processing approximately half of New Zealand's poultry, and also manufactures and markets a range of other processed meat products. Tegel produces a range of products across its core business (e.g. fresh and frozen whole chickens, fillets and portions), and value added convenience products (e.g. fresh value added, cooked and smoked small goods and frozen further processed products), which are sold through three key sales channels domestically (retail grocery, foodservice / industrial and quick-service restaurants), and in selected channels in international markets. Its brands are Tegel, Rangitikei and Top Hat.

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<sup>1</sup> Source: Poultry Processing in Australia July 2016, IBISWorld Industry Report (page 3).