

17 February 2015

Company Announcement

Australian Securities Exchange Limited

CLEAN SEAS TUNA LIMITED (ASX:CSS): HALF-YEAR FINANCIAL RESULTS

KINGFISH DELIVER

Review of operations and financial results

Clean Seas Tuna Limited (Clean Seas) is pleased to announce a consolidated after tax profit for the six months to 31 December 2014 (H1FY15) of \$3.456m. This includes an R&D Tax Incentive Refund of \$4.167m arising from FY14 expenditure and activities as previously reported. This result for H1FY15 compares to the consolidated after tax profit in H1FY14 of \$4.004m which included an R&D Tax Incentive Refund of \$6.156m.

This result demonstrates ongoing improvement in Clean Seas' underlying profitability as set out below.

Clean Seas' recorded a loss before tax for the current half-year of \$711k which is a significant improvement from the \$1.933m loss reported for the first half of FY14. Revenue increased 123% to \$8.6m which was offset by biomass invested growth increases associated with the substantial and planned increased volume of Yellowtail Kingfish. This will underpin further substantial increases in revenue in future periods.

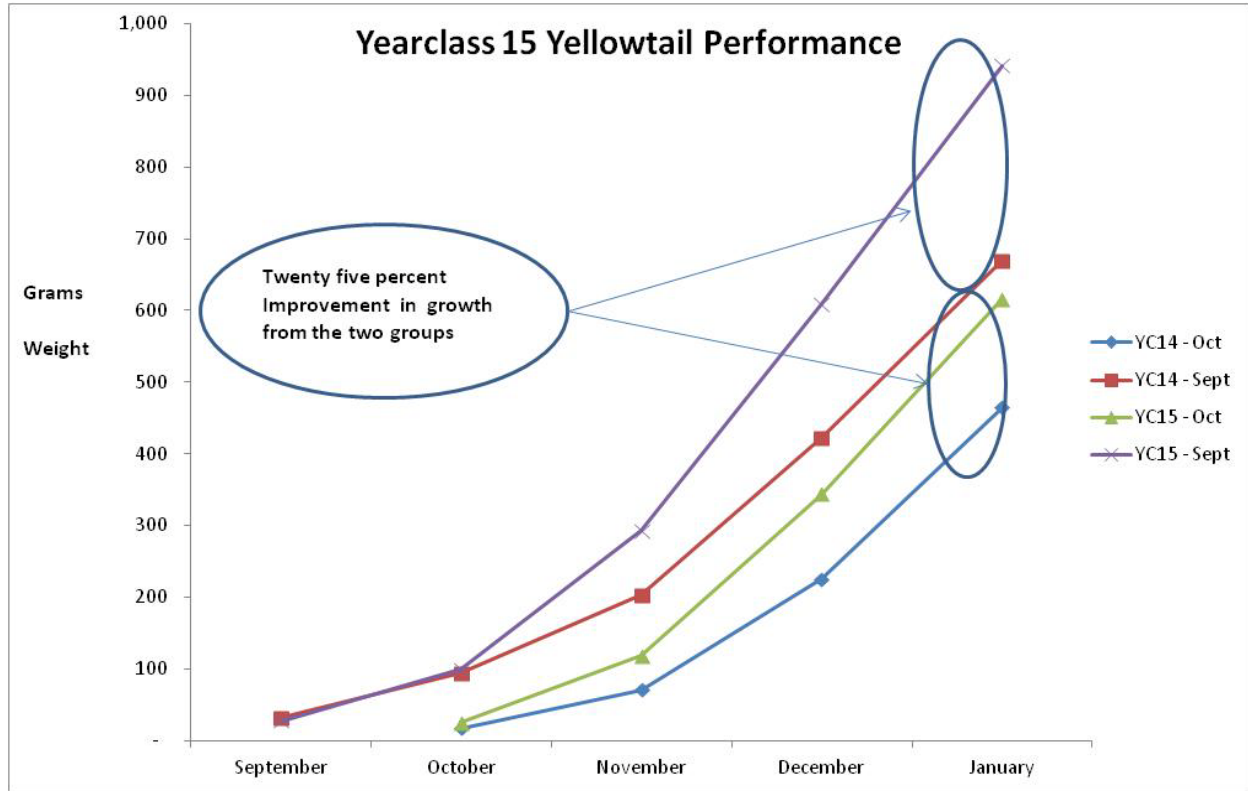
The seasonality of Clean Seas' earnings needs to be noted, due to the majority of annual fish growth and therefore reported profits occurring in the warmer seawater temperatures of the second half of the financial year as detailed in note 5 to the accounts.

Excellent Fish Growth

One of the highlights of H1FY15 was an excellent rate of fish growth, with net growth of 780 tonnes across all year classes. This represents 26% above budget estimates and 112% above H1FY14. All year classes exceeded expectations and Year Class 2015 (YC15), being fish transferred as fingerlings to sea pens between September and November 2014, generated the fastest rate of growth on record for the first three months in the sea. Survival rates for all year classes have been high with approximately 90% of the YC13 fish surviving to harvest, YC 14 having a better survival rate than YC13 and YC 15 fish tracking better than YC14. In addition to improving survival, the YC15



growth is represented in the graph below which compares it to YC14 for the equivalent period which was previously the highest growth rate achieved. The graph distinguishes the September fingerling intake from the October fingerling intake for both years.



Increased Sales Volumes and Revenue

Another highlight of H1FY15 was the substantial increase in sales volumes and revenue. Sales volumes increased from 215 tonnes in H1FY14 and 356 tonnes in H2FY14 to 511 tonnes in H1FY15. Growing sales demand was limited by the availability of fish, with the necessity to restrict sales of YC 13 fish to ensure supply continued until the YC14 fish were ready for harvest. Sales revenue increased from \$3.8m in H1FY14 and \$6.1m in H2FY14 to \$8.6m in H1FY15. This increase mainly reflects sales of Hiramasa Kingfish from YC13, with that year class being significantly larger than YC12 being sold in H1FY14. These sales are importantly in the 4kg to 5kg range which is the product size branded as Hiramasa Kingfish.

Clean Seas has also established a second niche market for smaller Yellowtail Kingfish (1kg to 1.5kg range). These smaller Yellowtail Kingfish are predominantly used as a plate size fish or filleted for general usage at high end fish retailers. These sales contributed 60 tonnes (12%) of total sales volumes in H1FY15. These fish have a lower selling price per kg and lower cost of production than the larger Hiramasa Kingfish and play an important role in optimising fish production.



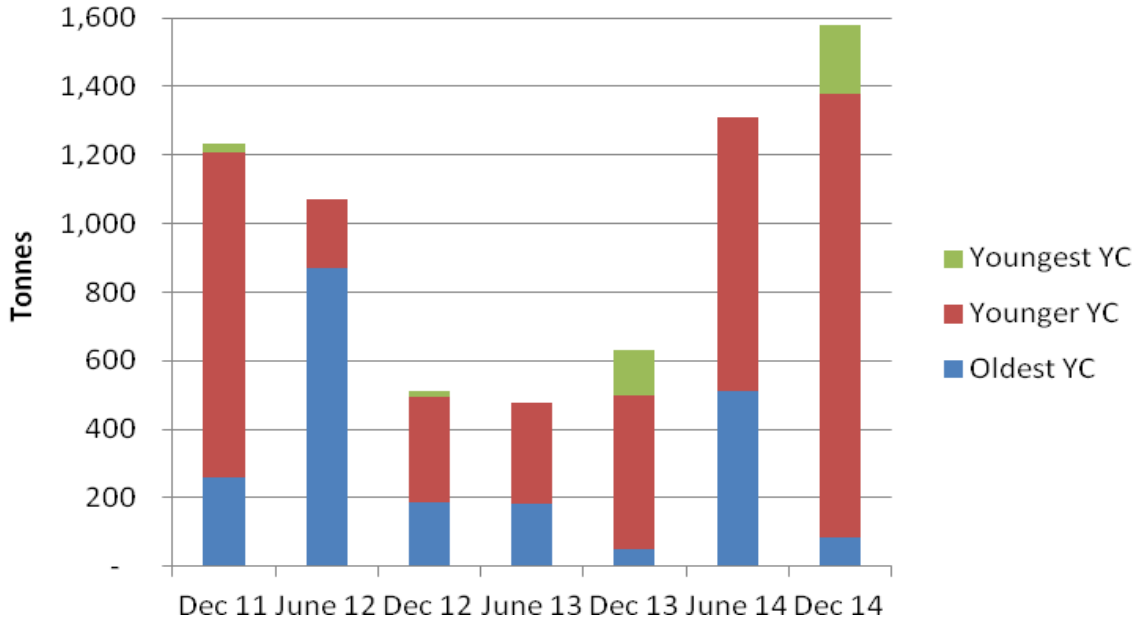
Farm gate prices received for Hiramasa Kingfish in H1FY15 have been consistent with FY14 however the average sales revenue per kg in total has reduced slightly due mainly to the sales of smaller Kingfish.

Increased Biomass of Yellowtail Kingfish

Clean Seas’ strategy is to substantially increase Yellowtail Kingfish sales over coming years and particularly to substantially increase sales of the larger Hiramasa Kingfish. Previous announcements have indicated expected total sales growth from 571 tonnes in FY14 to approximately 1,350 tonnes in FY15, 2,000 tonnes in FY16 and 3,000 tonnes within a further 2 to 3 years. The Directors and Management consider that the Company is on track to achieve these targeted thresholds.

Clean Seas has a number of fingerling intakes from the hatchery to sea pens each year, usually between September and February, in order to spread production throughout the year and ensure our ability to deliver Hiramasa Kingfish to customers every week of the year. The growout period for 4kg to 5kg Hiramasa Kingfish is approximately 16 to 24 months, depending on the timing of intake. It is therefore essential that total biomass is increased ahead of the targeted future sales increases.

The total Yellowtail Kingfish biomass level as at recent reporting dates is summarised as follows;



Reflecting business growth from expanding recent year classes' intake



The substantial growth in biomass over the last 12 months, arising from significantly higher fingerling intakes for YC14 and YC15 and superior growth and survival performance, cause fish husbandry costs to increase significantly ahead of the increase in sales. This is a planned investment in order to grow the business in line with Clean Seas' strategic targets.

Increased Working Capital Investment

Working capital investment has increased significantly from December 2013 and June 2014, mainly in the area of inventories required for expanding biomass. The increase in inventories mainly relates to pellet feed, which has increased from \$0.9m at December 2013 and \$0.8m at June 2014 to \$3.5m at December 2014. This is attributable to the increased biomass (refer above), the time of year and a strategic change in feed procurement.

As outlined in note 5 to the accounts, Yellowtail Kingfish in South Australia have a seasonal strong growth period from October to May when the seawater temperatures are warmer. Feed consumption is significantly higher during this growth period than in the months where seawater temperatures are cooler. Accordingly pellet feed inventories are expected to be significantly higher in December than in June.

Clean Seas has also diversified its feed supply arrangements and a significant proportion is now imported. While this has provided a range of operational and strategic benefits, it has caused an increase in reported inventories due to the shipping time from Japan and ownership transferring to Clean Seas when the feed is loaded on the ship.

Cash Flow from Operations

Consistent with Clean Seas' intended increase in future harvest and sales tonnages, as well as seasonality, Clean Seas cash used in operations for H1FY15 substantially reflects the Group's investment in growing biomass to drive growth and underpin future shareholder value creation.

Cash flow from operations is anticipated to become positive in Q4FY15.

Please refer to the company's ASX announcement dated 30 January 2015 for further discussion on cash flow and the cash position.



Southern Bluefin Tuna (SBT)

As detailed in previous announcements, Clean Seas has scaled back its investment in SBT R&D over the last 2 years, however is maintaining its SBT broodstock. The Company has continued a reduced level of R&D activity throughout the current reporting period. The Board remains open to strategic options for the future development of the Company's SBT interests, including possible involvement by third parties, however does not envisage any significant increase in Clean Seas' expenditure on SBT in the short to medium term.

Earnings Per Share

Earnings per share in H1FY15 were 0.31 cents per share, down from 0.47 cents per share in H1FY14. This is attributable to the combined impact of a lower period after tax profit (refer above) and a higher weighted average number of shares on issue due to the December 2013 Share Purchase Plan issue.

Dividend

No dividend has been declared.

Anticipated Future Outlook

The Board remains confident in the sales growth projections summarised under "Increased Biomass of Yellowtail Kingfish" above. The biomass is in place to facilitate the sales growth anticipated in calendar 2015 and the YC15 fingerling intake that was completed in February 2015 will facilitate the anticipated further sales growth in calendar 2016. Expanded sales and marketing activity has commenced in January 2015 in conjunction with commencement of Hiramasa Kingfish sales from the expanded YC14, which has nearly three times the biomass at December 2014 that YC13 had at December 2013.

Clean Seas will soon return to supplying Hiramasa Kingfish to overseas markets other than the European market, as the YC14 reach the preferred size of 4-5 kg. In the past we have also supplied frozen Hiramasa Kingfish fillets to the overseas markets. Beginning in April 2015 it is intended to resume these sales over CY2015.

A new website has been established to support our premium Hiramasa Kingfish. It can be found at www.hiramasakingfish.com.au and there is an opportunity to join our email newsletter.

The Board highlights the seasonal nature of Clean Seas reported profits as detailed in note 5 to the accounts. On this basis, and having regard to progress to date, it is expected that Clean Seas will again report both a statutory and underlying profit for FY15, with the underlying profit being higher than in FY14. That said, the Board



reiterates and acknowledges that the inherent operational risks in aquaculture can very clearly impact upon this outcome.

The Board will continue to keep the market informed of material developments.

Paul Steere
Chairman

Craig Foster
Chief Executive Officer

17 February 2015



CLEAN SEAS TUNA LIMITED

ABN 61 094 380 435

APPENDIX 4D STATEMENT - HALF YEAR REPORT

**RESULTS FOR ANNOUNCEMENT TO THE MARKET
HALF-YEAR ENDED 31 DECEMBER 2014**

(Comparative figures being the half-year ended 31 December 2013)

	Half-Year ended 31 December 2014	Half-Year ended 31 December 2013	Period Movement up/(down) \$ '000	Period Movement up/(down) %
	\$ '000	\$ '000	\$ '000	%
Revenue from ordinary activities	8,670	4,097	4,573	111.6
EBITDA	(5)	(1,285)	1,280	99.6
EBIT	(797)	(2,044)	1,247	61.0
Profit / (Loss) from ordinary activities before tax	(711)	(1,933)	1,222	63.2
Income tax credit / (expense)	4,167	5,937	(1,770)	(29.8)
Profit / (Loss) from ordinary activities after tax attributable to members	3,456	4,004	(548)	(13.7)
Net tangible asset backing per ordinary share	\$0.043	\$0.033		

Dividends (Ordinary Shares)	Amount per security
Final dividend	cents/share Nil
Interim dividend	cents/share Nil

Record date for determining entitlements to dividends.

No dividend declared

Consistent with the decision taken in June 2012 not to carry future income tax benefits as an asset in the accounts the income tax benefit attributable to the December 2014 loss has not been recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the period ended 31 December 2014. The Group will continue to assess this treatment on an ongoing basis as Group profitability improves.

Details of the Group's performance for the first six months of FY 2015 are attached to this notice.

This report is all the half year information provided to the Australian Securities Exchange under listing rule 4.2A. The report also satisfies the half year reporting requirements of the Corporations Act 2001.

This half year financial report should be read in conjunction with the 2014 annual financial report.



hiramasa | **kingfish**



Clean Seas Tuna Limited
Interim Consolidated Financial Statements
For the half-year ended 31 December 2014
ABN 61 094 380 435



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Directors' Report

The Directors of Clean Seas Tuna Limited present their Report together with the financial statements of the Consolidated Entity, being Clean Seas Tuna Limited ('the Company') and its Controlled Entity ('the Group') for the half-year ended 31 December 2014.

Director details

The following persons were Directors of Clean Seas Tuna during or since the end of the financial half-year:

- Mr Paul Steere - Chairman
- Mr Nick Burrows
- Mr Hagen Stehr
- Mr Marcus Stehr
- Mr Paul Robinson – Alternate Director for Mr Hagen Stehr

Company Secretary

The following persons were Company Secretary of Clean Seas Tuna during or since the end of the financial half-year:

- Mr Frank Knight – Retired 22 August 2014
- Mr Wayne Materne – Appointed 22 August 2014

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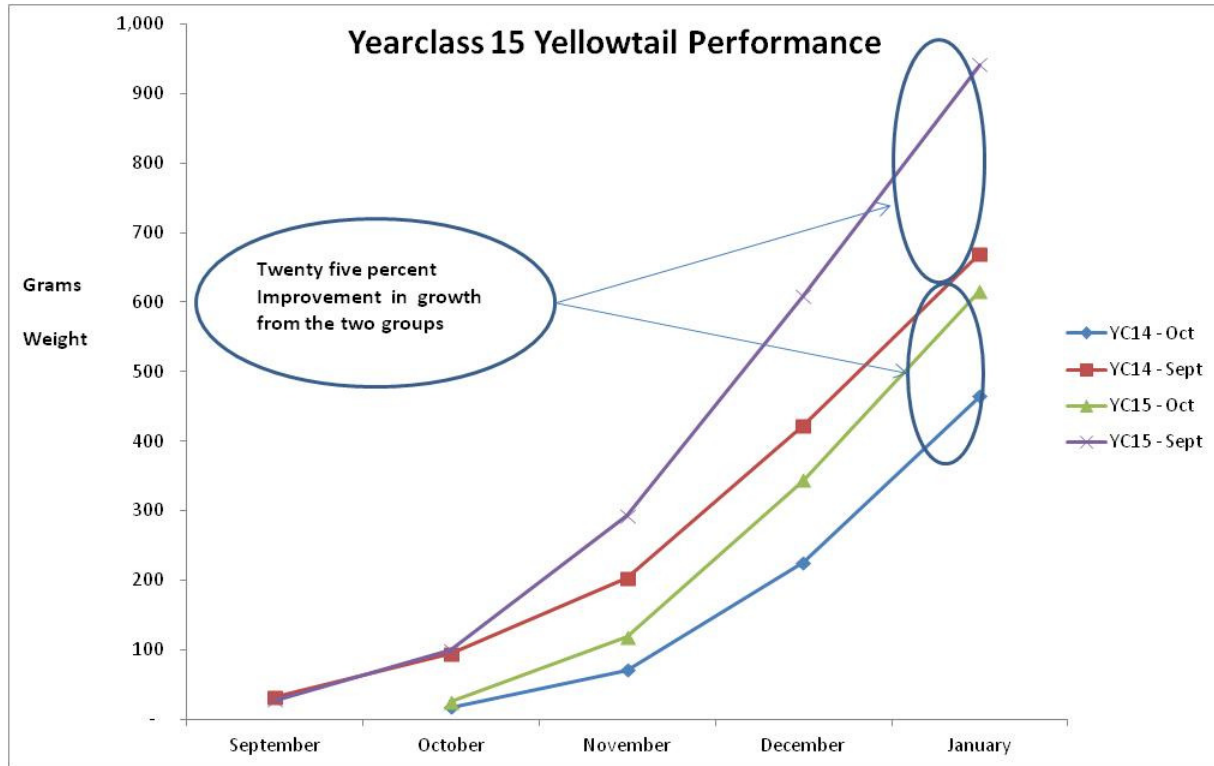
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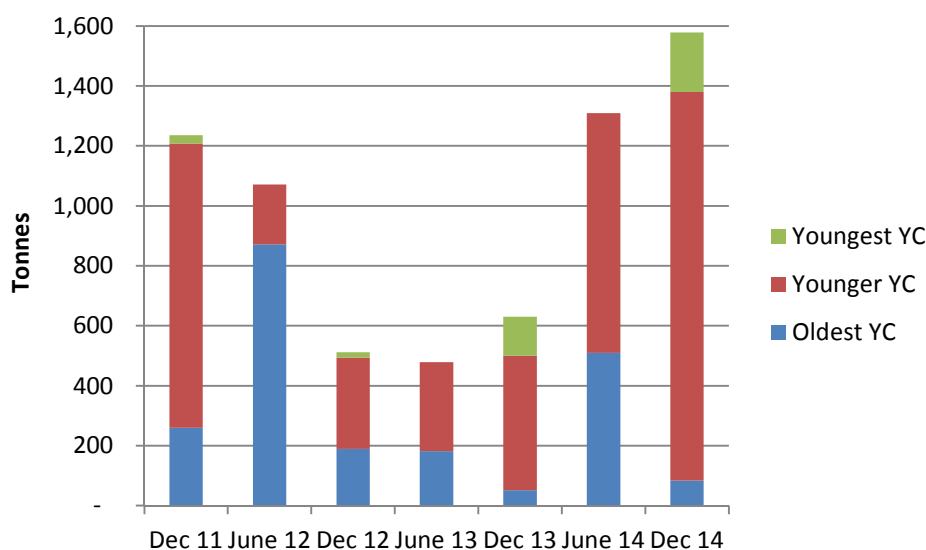
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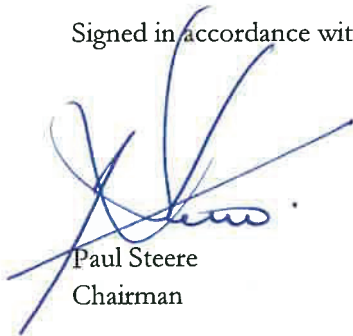
Auditor's Declaration

A copy of the Auditor's Independence Declaration as required under s307C of the *Corporations Act 2001* is included on page 7 of this financial report and forms part of this Directors Report.

Rounding of amounts

Clean Seas Tuna is a type of Company referred to in ASIC Class Order 98/100 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable), or in certain cases, to the nearest dollar under the option permitted in the class order.

Signed in accordance with a resolution of the Directors.



Paul Steere
Chairman

16 February 2015

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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF CLEAN SEAS TUNA LIMITED**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Clean Seas Tuna Limited for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



SJ Gray
Partner – Audit & Assurance

Adelaide, 16 February 2015

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2014

	Notes	31-Dec-2014 \$'000	31-Dec-2013 \$'000
Revenue	6	8,561	3,845
Other income		23	141
Net gain arising from changes in fair value of Yellowtail Kingfish	10	3,071	1,789
Fish husbandry expense		(6,443)	(3,607)
Employee benefits expense		(2,650)	(1,927)
Fish processing and selling expense		(1,640)	(587)
Depreciation, amortisation and impairment of non-financial assets	11	(792)	(759)
Other expenses		(917)	(929)
Profit / (Loss) before finance items and tax		(787)	(2,034)
Finance costs		(10)	(10)
Finance income		86	111
Profit / (Loss) before tax		(711)	(1,933)
Income tax benefit / (expense)	7	4,167	5,937
Profit for the period from continuing operations		3,456	4,004
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period		3,456	4,004
Profit for the period and total comprehensive income for the period Is attributable to owners of the parent.			
Earnings per share from continuing operations;			
Basic earnings per share (cents per share)	12	0.31	0.47
Diluted earnings per share (cents per share)	12	0.31	0.47

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

As at 31 December 2014

	Notes	31-Dec-2014 \$'000	30-Jun-2014 \$'000
Assets			
<i>Current</i>			
Cash and cash equivalents		6,717	9,925
Trade and other receivables		1,311	880
Inventories	8	3,593	812
Prepayments	9	1,267	705
Biological assets	10	20,039	17,001
Current assets		32,927	29,323
<i>Non-current</i>			
Property, plant and equipment	11	13,403	13,275
Biological assets		244	244
Other non-current assets		3,027	3,027
Non-current assets		16,674	16,546
TOTAL ASSETS		49,601	45,869
Liabilities			
<i>Current</i>			
Trade and other payables		1,555	1,599
Borrowings		347	21
Provisions		472	515
Current liabilities		2,374	2,135
<i>Non-current</i>			
Borrowings		79	48
Provisions		68	62
Non-current liabilities		147	110
TOTAL LIABILITIES		2,521	2,245
Net assets		47,080	43,624
Equity			
Equity attributable to owners of the Parent:			
• share capital		157,736	157,736
• share option reserve		-	1,054
• retained earnings		(110,656)	(115,166)
Total equity		47,080	43,624

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2014

	Share Capital \$'000	Share Option Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance at 1 July 2014	157,736	1,054	(115,166)	43,624
Total comprehensive income for the period	-	-	3,456	3,456
Transfers	-	(1,054)	1,054	-
Balance at 31 December 2014	157,736	-	(110,656)	47,080

For the half-year ended 31 December 2013

	Share Capital \$'000	Share Option Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance at 1 July 2013	148,534	1,054	(126,311)	23,277
Issue of share capital	9,713	-	-	9,713
Cost of share issue	(729)	-	-	(729)
Tax benefit of cost of share issue	218	-	-	218
Total comprehensive income for the period	-	-	4,004	4,004
Balance at 31 December 2013	157,736	1,054	(122,307)	36,483

The accompanying notes form part of these financial statements

Consolidated Statement of Cash Flows

For the half-year ended 31 December 2014

	Notes	31-Dec-2014 \$'000	31-Dec-2013 \$'000
Operating activities			
Receipts from customers		8,187	3,816
Payments to suppliers and employees		(15,053)	(7,625)
R & D tax incentive refund		4,167	6,156
Interest received		87	124
Finance costs		(3)	(10)
Net cash (used in) / from operating activities		(2,615)	2,461
Investing activities			
Purchase of property, plant and equipment		(910)	(444)
Proceeds from disposals of property, plant and equipment		1	16
Net cash (used in) investing activities		(909)	(428)
Financing activities			
Proceeds from borrowings		402	-
Repayments of borrowings		(86)	(167)
Proceeds from issue of share capital		-	9,713
Payments for costs incurred in capital raising		-	(730)
Net cash from financing activities		316	8,816
Net change in cash and cash equivalents			
Net change in cash held		(3,208)	10,849
Cash and cash equivalents, beginning of period		9,925	5,218
Cash and cash equivalents, end of period		6,717	16,067

The accompanying notes form part of these financial statements.

Notes to the Condensed Interim Consolidated Financial Statements

1 Nature of operations

The principal activities of the Group during the period were:

- i. The propagation of Hiramasa Yellowtail Kingfish, producing fingerlings for sale and growout.
- ii. The growout of Hiramasa Yellowtail Kingfish for harvest and sale.
- iii. Research and development activities to produce juveniles of Southern Bluefin Tuna.

The Group continues to enhance its operations through new research and world's best practice techniques to deliver Hiramasa Yellowtail Kingfish of premium quality. The Tuna research and development activities of the Group currently focus on maintaining SBT broodstock until sufficient resources are available to further the propagation program in the future.

Refer to Note 13 for further information about the Group's operating segments.

2 General information and basis of preparation

The condensed interim consolidated financial statements ("the interim financial statements") of the Group are for the six (6) months ended 31 December 2014 and are presented in Australian Dollar (\$AUD), which is the functional currency of the Parent Company. These general purpose interim financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2014 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the *Corporations Act 2001*.

The interim financial statements have been approved and authorised for issue by the Board of Directors on 16 February 2015.

3 Significant accounting policies

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2014, except for the application of the following standards as of 1 July 2014:

AASB 1031: Materiality

AASB 1055: Budgetary Reporting

AASB 2013-1, Amendments to AASB 1049 – Relocation of Budgetary Reporting Requirements

AASB 2013-4, Novation of Derivatives and Continuation of Hedge Accounting

AASB 2013-5, Investment Entities

AASB 2013-9, Conceptual Framework, Materiality and Financial Instruments

AASB 2014-2, Amendments to AASB 1053 – Transition to and between Tiers, and related Tier 2 Disclosure Requirements

AASB 2014-1, Amendments to Australian Accounting Standards Part A, B and C

These standards make changes to a number of existing Australian Accounting Standards and are not expected to result in a material change to the manner in which the Group's financial result is determined or upon the extent of disclosures included in future financial reports. Management has reviewed the new requirements of the above standards and has concluded that there is no effect on the classification or presentation of balances.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements.

4 Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2014.

5 Seasonal fluctuations

The Group's underlying reported profit is subject to material seasonal fluctuation due to fish growth being the major contributor to profitability and Yellowtail Kingfish in South Australia having a seasonal strong growth period from October to May when the seawater temperatures are warmer. Approximately 25% to 35% of financial year growth is expected to occur in the first half of the financial year. Consequently it is expected that the Group's future underlying reported profits will be materially higher in the second half of the financial year than the first half.

6 Revenue

	6 months to 31 December 2014	6 months to 31 December 2013
	\$'000	\$'000
Sale of finfish	8,517	3,746
Sale of value added fish products	44	21
Sale of fingerlings	-	78
Total revenue	8,561	3,845

7 Income Tax

	6 months to 31 December 2014 \$'000	6 months to 31 December 2013 \$'000
R&D tax incentive refund	4,167	6,156
FITB on capital raising costs expensed	-	(219)
Total income tax income / (expense)	4,167	5,937

8 Inventories

	December 2014 \$'000	June 2014 \$'000
Pellet feed	3,540	800
Frozen fish	53	12
Total inventories	3,593	812

9 Prepayments

	December 2014 \$'000	June 2014 \$'000
Feed prepayments	699	418
Other prepayments	568	287
Total prepayments	1,267	705

10 Current Biological Assets – Live Fish

	6 months to 31 December 2014 \$'000	12 months to 30 June 2014 \$'000
Carrying amount at beginning of period / year	17,001	6,420
Gain arising from physical changes at fair value less estimated point of sale costs	9,710	18,254
Decreases due to harvest for sale	(6,639)	(7,653)
Decreases due to harvest for fish inventory	(33)	(20)
Carrying amount at end of period / year	20,039	17,001

11 Property, plant and equipment

The following tables show the movements in property, plant and equipment:

	Marina Lease \$'000	Dams & Fishponds \$'000	Land & Buildings \$'000	Plant & Equipment \$'000	Total \$'000
Gross carrying amount					
Balance at 1 July 2014	2,000	364	11,854	17,854	32,072
Additions	-	-	11	909	920
Transfers and other movements	-	-	(384)	384	-
Disposals	-	-	-	(28)	(28)
Balance at 31 December 2014	2,000	364	11,481	19,119	32,964
Depreciation and impairment					
Balance at 1 July 2014	(2,000)	(364)	(4,244)	(12,189)	(18,797)
Disposals	-	-	-	28	28
Depreciation	-	-	(218)	(574)	(792)
Balance at 31 December 2014	(2,000)	(364)	(4,462)	(12,735)	(19,561)
Carrying amount at 31 December 2014	0	0	7,019	6,384	13,403
Gross carrying amount					
Balance at 1 July 2013	2,000	364	11,628	16,490	30,482
Additions	-	-	226	1,613	1,839
Disposals	-	-	-	(249)	(249)
Balance at 30 June 2014	2,000	364	11,854	17,854	32,072
Depreciation and impairment					
Balance at 1 July 2013	(2,000)	(364)	(3,809)	(11,331)	(17,504)
Disposals	-	-	-	220	220
Depreciation	-	-	(435)	(1,078)	(1,513)
Balance at 30 June 2014	(2,000)	(364)	(4,244)	(12,189)	(18,797)
Carrying amount at 30 June 2014	0	0	7,610	5,665	13,275

12 Earnings per share

Both the basic and diluted earnings per share have been calculated using the profit attributable to shareholders of the Parent Company (Clean Seas Tuna Limited) as the numerator, i.e. no adjustments to profits were necessary during the six month period to 31 December 2014 and 31 December 2013.

The weighted average number of shares for the purposes of the calculation of diluted earnings per share can be reconciled to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	6 months to 31-Dec-2014	6 months to 31-Dec-2013
Weighted average number of shares used in basic earnings per share	1,105,282,736	847,945,752
Shares deemed to be issued for no consideration in respect of share-based payments	-	-
Weighted average number of shares used in diluted earnings per share	1,105,282,736	847,945,752
Total comprehensive income for the period (\$'000)	3,456	4,004
Earnings per share – Basic and diluted (cents)	0.31	0.47

13 Segment reporting

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources. The Group's two operating segments are:

Finfish Operations: All finfish grow out and sales other than propagated Southern Bluefin Tuna. Currently the segment includes Yellowtail Kingfish, Mulloway and some wild caught Tuna. All fish produced are aggregated as one reportable segment as the fish are similar in nature, they are grown and distributed to similar types of customers and they are subject to a similar regulatory environment.

Tuna Operations: Propagated Southern Bluefin Tuna operations are treated as a separate segment. All costs associated with the breeding, grow out and sales of SBT are aggregated into one reportable segment. This segment is currently scaled back apart from some strategic research projects.

During the six month period to 31 December 2014, there have been no changes from prior periods in the measurement methods used to determine operating segments and reported segment profit or loss.

The revenues and profit generated by each of the Group's operating segments and segment assets are summarised as follows:

	Finfish Operations 2014 \$'000	Tuna Operations 2014 \$'000	Unallocated 2014 \$'000	Total 2014 \$'000
6 months to 31 December 2014				
Segment revenues	8,584	-	-	8,584
Segment operating profit / (loss)	548	(286)	(973)	(711)
Segment assets	40,653	2,231	6,717	49,601

	Finfish Operations 2013 \$'000	Tuna Operations 2013 \$'000	Unallocated 2013 \$'000	Total 2013 \$'000
6 months to 31 December 2013				
Segment revenues	3,986	-	-	3,986
Segment operating profit / (loss)	(666)	(155)	(1,112)	(1,933)
Segment assets	24,670	1,692	16,067	42,429

The Group's segment operating profit reconciles to the Group's profit before tax as presented in its financial statements as follows:

	6 months to 31-Dec-2014 \$'000	6 months to 31-Dec-2013 \$'000
Profit or loss		
Total reporting segment operating profit / (loss)	262	(821)
Other expenses not allocated – corporate costs	(1,049)	(1,213)
Group operating profit / (loss)	(787)	(2,034)
Finance costs	(10)	(10)
Finance income	86	111
Group profit / (loss) before tax	(711)	(1,933)

14 Contingent asset

The Group has invoked formal dispute resolution procedures with both of its previously major feed suppliers to secure a commercial settlement in relation to claims the Group considers it has against the feed suppliers. These matters remain ongoing.

15 Fair value measurement of non-financial assets – Fair Value Hierarchy

AASB 13 requires disclosure of fair value measurements by level of the fair value hierarchy, as follows:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities
- **Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- **Level 3:** Inputs for the asset or liability that is not based on observable market data (unobservable inputs)

The Group's biological assets (live fish) held for sale are valued at their fair value less estimated point-of-sale costs based on an average sale value in the three weeks post balance date. This valuation method satisfies the criteria for Level 2. At 31 December 2014 the Group has 1,578 tonnes of live fish held for sale valued at \$20.039m (30 June 2014: 1,309 tonnes valued at \$17.001m).

16 Events after the reporting date

There has not arisen in the interval between 31 December 2014 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 Clean Seas Tuna, to affect significantly the operations of the consolidated Group, the results of those operations, or the state of affairs of the consolidated Group, in future periods.

Directors' Declaration

- 1 In the opinion of the Directors of Clean Seas Tuna Ltd:
 - a The consolidated financial statements and notes of Clean Seas Tuna Ltd are in accordance with the *Corporations Act 2001*, including:
 - i Giving a true and fair view of its financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
 - ii Complying with Accounting Standard AASB 134 *Interim Financial Reporting*; and
 - b There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



Paul Steere
Chairman

Dated the 16th day of February 2015

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF CLEAN SEAS TUNA LIMITED

We have reviewed the accompanying half-year financial report of Clean Seas Tuna Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2014, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of Clean Seas Tuna Limited 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 controls 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 consolidated half-year financial report based on our review. We conducted our review in accordance with the 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 Clean Seas Tuna Limited consolidated entity's financial position as at 31 December 2014 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 Clean Seas Tuna Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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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.

Independence

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

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 Clean Seas Tuna 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 2014 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



S J Gray
Partner – Audit & Assurance

Adelaide, 16 February 2015