



SANFORD LIMITED

SUSTAINABLE SEAFOOD



From sea to food – over 100 years of sustained growth



Annual and Sustainable Development Report 2004



At the company's centennial annual meeting held 4 February 2004, presentations were made to descendants of Albert Sanford (founder of the company) still holding shares in the Company.

Pictured from left to right are: Sian Sanford, Patrick and Cameron Sanford - *great great grandsons (shareholders)*, Jan Sanford, Barry Sanford - *great grandson (shareholder)*, Ross Sanford - *great grandson*

Financial Summary

for the year ended 30 September 2004

	2004 12 months	2003 13 months
	\$000	\$000
Sales revenue	350,445	367,736
Profits		
EBITDA*	35,639	50,353
Depreciation	(17,069)	(16,402)
Net interest	598	285
Net currency exchange gains	55,202	35,730
Profit on disposal of investments and fixed and long term assets	6,691	3,616
Operating surplus before taxation	81,061	73,582
Less taxation	27,713	26,876
Operating surplus after taxation	53,348	46,706
Minority interests	522	552
Net surplus attributable to shareholders	53,870	47,258

*Earnings before interest, taxation, depreciation, total currency exchange gains and profit on disposal of investments and fixed and long term assets

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Board of Directors



Douglas Goodfellow OBE

Douglas joined the Board of Sanford Limited in 1978 and was elected Chairman in 1980. He is the Chairman of Amalgamated Dairies Ltd, Cambridge Clothing Co Limited and Refrigeration Engineering Co Limited and a Director of a number of other private companies. He is a former Deputy Chairman of Fernz Corporation Ltd (now Nufarm). He is also a trustee of various trusts in education, medical research and other charitable organisations. He was awarded an honorary Doctor of Laws by the University of Auckland.



Eric Barratt BCA, FACA

Eric became an executive of Sanford Limited when Feron Seafoods Ltd was purchased in 1982. He has been a Director of Sanford Limited since 1986. He was appointed Managing Director of Sanford Limited on 1 January 1998. He is also a Director of the New Zealand Seafood Industry Council Limited. Eric is a Director of Fishery Products International Limited, Pesquera San Arawa SA and Weihai Dong Won Food Company Limited.



David Anderson ACA, ACIS

David has had an extensive background in the fishing industry having been Managing Director of Sanford Limited from 1991 to 1997 and a Director since 1982. He has also held the positions of Deputy Chair of the New Zealand Fishing Industry Board and President of the New Zealand Fishing Industry Association. In 2001 he was a member of the Ministerial Advisory Committee on Oceans Policy.



Michael Bitossi JP

Michael is from an engineering and manufacturing background and was a senior executive of the Company from 1982 until his retirement in 1999. He was appointed to the Board in 1986. He is currently involved in business development consulting for small and medium business enterprises and is immediate Past President of the Milford Rotary.



Bruce Cole FCA, FNZIM

After retiring from the role of Chief Executive of L D Nathan Group of Companies, Bruce joined the Board of Sanford Limited in 1987 and was elected Deputy Chairman in 2004. Bruce is Chairman of Motor Trade Finances Limited, Hydraulink Fluid Connectors Limited and Hydraulink Australia Limited. He is also a Director of Leonard and Dingley Limited and Auckland Stevedoring Company Limited. Bruce is currently President of the Auckland Medical Research Trust.



Neil Mills BCom, ACA

Neil commenced with Sanford Limited in 1954 and worked his way through the positions of Accountant and Company Secretary to become Chief Executive Officer and then Managing Director from 1981 until 1990. Neil has had extensive involvement with the many government and industry committees associated with the fishing industry and export trade. For 12 years he was an industry representative on the New Zealand Fishing Industry Board.



Jeff Todd CBE, BCom, FCA

Jeff was appointed to the Board of Sanford Limited in 1998. He is Chairman of NZ Guardian Trust, Dynasty Hotel Group, Gullivers Travel Group and Deputy Chairman of Southern Cross Healthcare. He is a member of the Council of Massey University and former Director of the Reserve Bank, ANZ Banking Group in New Zealand and the Earthquake Commission. He has advised the Government on the introduction of GST and funding tertiary education and was Chairman of the Task Force on Private Provision for Retirement. He is a former Managing Partner of Price Waterhouse New Zealand.

Directors' Report and Chairman's Review

The Directors are pleased to present the Annual Report of Sanford Limited for the year ended 30 September 2004. Last year's comparatives are for 13 months from 1 September 2002 to 30 September 2003.



W D Goodfellow
Chairman
6 December 2004



E F Barratt
Managing Director

Directors are pleased to report improved market conditions in the second half of the year which, along with continued foreign exchange gains and gains from asset sales, were the main reasons for a 14% increase in the net surplus attributable to shareholders for the year ended 30 September 2004 (comparatives are for the 13-month period ended 30 September 2003). The net surplus increased to \$53.9m this year from \$47.3m last year.

Financial Performance

Earnings before interest, taxation, depreciation, foreign exchange gains and asset sales (EBITDA) reduced from NZ\$50.4m last year to NZ\$35.6m this year, but this was more than offset by the currency hedge gains which increased from \$35.7m last year to \$55.2m this year. Sales for the year of \$350.4m decreased by 4.7% over the previous 13-month period. However, on a 12-month comparative basis, sales were up by 3.2%.

Net cash flows from operating activities decreased slightly from \$61.1m last year to \$59.5m, while asset sales produced cash flows of \$13.7m. During the year we purchased the freezer longliner San Aspiring (formerly Gudni Olafsson) and completed the Auckland Fish Market development.

Directors carried out a periodic review of the value of quota assets at 30 September 2004 and wrote up the value of fish quota by \$33m to 50% of the average of quota trading prices reported by independent reviewers.

Surplus cash generated during the year was used to retire debt (\$21m) and pay dividends to shareholders (\$39m). Surplus cash on hand at year end totalled \$16.4m.



The Prime Minister Helen Clark inspecting Sanford scampi at the opening of the Auckland Fish Market

Directors' Report and Chairman's Review

Overseas Ventures

Australia – Racovolis Amalgamated Pty Limited

Results from Australia continued to be satisfactory. Fresh landings in Australia increased over the year as more fishing occurred in the Great Australian Bight. The increased supply posed challenges that were successfully dealt with during the last year.

We recently acquired Simunovich's Australian subsidiary, Ocean Fresh Fisheries. We will be looking to increase our capacity to process and market fish in Australia over the next year as we integrate our two Australian operations.

Pacific Tuna Vessels

Catches and prices for skipjack tuna in August and September were significantly better than last year and resulted in our recovering most of the losses on the operation of these vessels for the previous months of the year. Our commitment to this fishery increased with the addition of a third vessel (Ocean Breeze a former Simunovich Fisheries vessel). This fishery will continue to be challenging but the formalisation of an international management body, the Western and Central Pacific Tuna Commission, should lend more stability and sustainability to this sector, and assist long term profitability. When skipjack tuna caught outside New Zealand waters becomes subject to the Quota Management System Government legislation enacted this year will allocate 20% of catch history of our New Zealand vessels to Maori. To protect our investment, it is likely we will change the country of registration of these vessels to a non-New Zealand jurisdiction.

Canada - Fishery Products International Limited (FPI)

Results from FPI have been much improved this year as benefits flow through from new product developments and other enhancements, as well as improved trading conditions in the United States based food service and distribution business. Earnings per share for the nine months this year totalled C\$0.70 per share compared to C\$0.47 per share last year. Dividends have been maintained at C\$0.05 per share per quarter and the share price has ranged between C\$8.40 and C\$9.30 over the past year.

Sanford's strategic marketing arrangements with FPI continued to produce sales and margin benefits with sales to FPI increasing by a further 21% this year, although this was all within the same product range. The challenge for both companies is to increase the product range for next year.

Argentina – Pesquera San Arawa SA

Our hoki fishing venture in Argentina continues to progress although there are constant challenges facing the business. Market prices were able to be increased during the year as customers gained more confidence about the consistent quality of our products, but there is still a discount on prices for similar New Zealand hoki products. Catch consistency is still the key issue to improving profitability.

China - Weihai Dong Won Food Company Limited

On 1 September 2004 we acquired a 25% interest in this Chinese seafood processing company based in the Northeastern seaside city of Weihai. This company is a wholly foreign owned enterprise with the other major investors being Dong Won Fisheries Co Limited and associated interests. The company has been operating since 1998 and on occasions in the past we have used the plant to process product for Sanford.

We had been considering an invitation to participate in the company for some time. We were aware that the company had been trading consistently and profitably for some time. The coinciding of a decision by the Chinese company to undertake a major factory and storage capacity expansion, and the decision by New Zealand to seek a free trade agreement with China, provided the catalyst for us to proceed.

The capital of the company is US\$7.2m of which Sanford has contributed US\$1.8m. Sanford has an option to increase its shareholding to 40% by an injection of additional capital. The company continues to trade profitably and the major expansion is expected to be completed and operational by February 2005.

Simunovich Fisheries Purchase

The New Zealand fishing business and assets (apart from the scampi quota in excess of aggregation limits) of Simunovich Fisheries Limited were acquired on 1 October 2004. The inshore and deepwater quota and ice vessels have been integrated into our operations.

In addition, Sanford acquired the Ocean Fresh Fisheries business of Simunovich in Australia, consisting of a freezer trawler, two large ice trawlers, various fishing licences, rights and quota. This business will add to and complement our existing catching and marketing operation based in Melbourne. The Simunovich freezer purse seiner Ocean Breeze transferred to Sanford in early November, adding to our two existing vessels targeting skipjack and yellowfin tuna in international and island state waters in the Pacific.

Further information on the Simunovich operations is contained in the Managing Director's report.

Sustainable Seafood

Sanford's motto of Sustainable Seafood continues to be increasingly recognised in a market where consumers and customers demand to know more about the sustainability of their seafood supplies.

We continue to improve our performance in the certification audits for our ISO 14001 standard and we received merit recognition from the Institute of Chartered Accountants for the sustainable development report in our 2003 Annual Report.

Our fifth sustainable development report (triple bottom line) forms part of this year's report to Shareholders.

Capital Changes

There have been no capital changes to the Group since the date of the last Annual Report.

Dividends

The Company paid an interim dividend of 9 cents per share in June and on 24 November 2004 Directors declared a final dividend of 13 cents per share payable on 15 December 2004, an increase of 1 cent (or 5%) on the ordinary dividend paid last year. In considering dividend policy Directors were

conscious of the expiry of current favourable currency hedges at the end of 2005, coupled with the current high, and in their view unsustainable, level of the New Zealand dollar and the desire to reduce the debt level associated with the Simunovich purchase at the earliest opportunity. The Directors decided that the dividend option scheme will remain suspended at this time. Before providing for the final dividend, Shareholders' funds total \$493.2m or \$5.16 per share.

Auditors

It is proposed that the current auditors, KPMG, should continue in accordance with section 196 of the Companies Act.

Corporate Governance

Under the New Zealand Stock Exchange (NZX) listing rules Sanford is required to amend its Constitution to align with the revised listing rules "at the first available opportunity", which is defined to be the Sanford Limited Annual Meeting to be held on 2 February 2005. Full details of the proposed changes are contained in the Notice of Meeting and explanatory notes but the main changes to the current Constitution as required by the listing rules are:-

Change to related party transaction thresholds

- The related party transaction thresholds have changed so that they are now calculated on the basis of the Company's average market capitalisation (the previous



Weihai Dong Won factory, China. Artist's impression of expansion is marked at left

Directors' Report and Chairman's Review



Top San Aspiring entering Timaru for the first time
 Middle Timaru based inshore vessel, Tengawai
 Bottom A "spider" remotely controlled, removing paint from San Enterprise hull. Paint flakes and water are sucked directly into a tanker

test was based on the lesser of shareholders' funds or average market capitalisation). Currently, for the Company this means an increase in the threshold at which a related party transaction requires Shareholder approval under the Rules, because the Company's average market capitalisation is higher in value than the Company's shareholders' funds. (Rule 9.2.1 and clause 33.1 of the current Constitution)

- Related party transactions are now permitted without Shareholder approval for transactions which are employment agreements (with a natural person who is not a Director) or where the total value of the transaction is less than \$250,000. (New Rules 9.2.1 (c) and (d)).

Change to major transaction thresholds

- The threshold for Shareholder approval to a material transaction has been amended to apply to transactions of a gross value exceeding 50% of an issuer's average market capitalisation (the previous test was 50% of the lesser of an issuer's average market capitalisation or the gross value of its assets). (Rule 9.1.1 and clause 32.1 of the current Constitution).

Increase in limits for issue of equity securities

- The percentage limit of equity securities which may be issued without Shareholder approval to persons other than Directors or employees in any 12 month period has increased from 10% to 15%. (Rule 7.3.5 and clause 3.2.3 of the current Constitution)
- The percentage limit of equity securities which may be issued to employees without Shareholder approval in any 12 month period has increased from 2% to 3%. (Rule 7.3.6 and clause 3.2.4 of the current Constitution)
- New equity securities may be issued to existing equity security holders without Shareholder approval if the consideration does not exceed \$5,000 per holder and the number of equity securities issued does not exceed 30% of the number of fully paid equity securities already on issue. (New Rule 7.3.4(ba))
- The time limit for completing issues of securities which have been approved by Shareholders has been increased from 6 months to 12 months. (Rule 7.3.2 and clause 3.2.1 of the current Constitution)
- The time limit for completing issues of securities made solely to employees has been increased from 12 months to 36 months. (Rule 7.3.2 and clause 3.2.1 of the current Constitution)

- The Company cannot reprice or amend the terms of any securities issued with Shareholder approval to or for the benefit of employees or Directors, without either the approval of NZX or a further ordinary resolution of shareholders. (New Rule 7.3.7A).

Increase in limit for buybacks

- The percentage limit of equity securities which may be acquired by an issuer in compliance with section 60(1)(b)(ii) of the Companies Act other than from Directors, associated persons of Directors or employees in any 12 month period has increased from 10% to 15%. (Rule 7.6.1 and clause 6.2.6(b) of the current Constitution).

Director remuneration and payments on cessation of office

- The Company cannot make payments to Directors on cessation of office without Shareholder approval, unless the payment is made to a Director in office on or before 1 May 2004 (provided that the total amount of the payment does not exceed the Director's total remuneration in his or her capacity as a Director in any three years chosen by the Company). (Rule 3.5.2 and clause 37.6 of the current Constitution)
- Rule 3.5.1 has been amended to clarify that no remuneration can be paid to a Director in his or her capacity as a Director of an issuer or any subsidiary of an issuer (unless that subsidiary is itself listed) unless authorised by an ordinary resolution in accordance with that Rule. (Rule 3.5.1 and clause 37.1 of the current Constitution).

Sanford Limited does not believe that our Corporate Governance policies, practices and processes are materially different from the NZX Corporate Governance Best Practice Code.

Role of the Board

The Board is responsible for the proper direction and control of the Company's activities and acknowledges the need for the highest standard of corporate governance. This responsibility includes such areas of stewardship as the identification and control of the Group's business risks, the integrity of management systems and reporting to Shareholders. The Board charts the direction of the Company by the setting of objectives, strategies and policies. It is then the responsibility of the Managing Director and senior executives to manage the day-to-day affairs of the Company within this framework.



To mark the Company's centenary, functions were held at our NZ locations. "Old Albert Sanford" appeared on his delivery bike, here at Coromandel
The Kronan bike was donated by Ian Hamilton

The Board is satisfied that there are sufficient written procedures, policies, guidelines and organisational structures in place to ensure there is an appropriate division of responsibility, as well as a programme to identify areas of significant risk and to effectively manage those risks.

Each year the Company produces an operating budget that is reviewed and approved by the Board. Financial statements are prepared quarterly and reviewed by the Board to monitor management's performance against the budget and the previous year's results.

Board Membership

The Board is elected by Shareholders to govern and enhance the Company in the interests of its Shareholders.

Prior to the publication of this report, the Board has determined that seven Directors is the appropriate number of Directors for Sanford Limited. It has also determined that five of the current Directors, or more than two thirds, are independent (Messrs Anderson, Bitossi, Cole, Mills and Todd). The other two Directors, Messrs Barratt (Managing Director) and Goodfellow (associated with a major shareholder), are not independent.

Directors' Report and Chairman's Review

No communication of this confirmation has been made to the market prior to the publication of this report.

Under the Constitution, one-third of the Directors shall retire from office at the Company's Annual Meeting. The Directors to retire (and who may be eligible for re-election) are those who have been longest in office since their last election. Retiring and seeking re-election this year are Messrs Anderson and Mills.

The Board confirms that the positions of Chairman of the Company and Managing Director are not held simultaneously. Directors have participated in a number of activities organised by the Company to keep them up to date on seafood industry activities in New Zealand and internationally.

Board Committees

The Board has established three committees to assist it with aspects of corporate governance.

- **Audit Committee**

The Audit Committee is chaired by Mr Cole and comprises members Messrs Todd and Mills all of whom are independent Directors. No executive Directors are members of the Audit Committee. All members of the audit committee have an accounting and financial background.

The Audit Committee has a written charter and the work of the Audit Committee is reviewed by the Board as a whole. Directors who are not members of the Audit Committee only attend committee meetings at the invitation of the Audit Committee.

The Audit Committee assists the Board in carrying out its responsibilities under the Companies Act 1993 and Financial Reporting Act 1993, and in reviewing the performance and findings of the external auditors, KPMG. The auditors have direct access to the Audit Committee chairman.

The Board has reviewed the non-audit work undertaken by our Auditors and put in place procedures for the Audit Committee to review in advance and determine the appropriateness of engaging our auditors for non-audit work.

The committee also reviews the adequacy of the Group's insurance policies. It approves applications for share trading by Directors and executives.

- **Remuneration Committee**

The Remuneration Committee consists of Mr Goodfellow (Chair) and Messrs Anderson and Barratt. This committee determines remuneration of the Managing Director and senior

executives as well as overseeing the remuneration at all levels of management. The Remuneration Committee does not have a written charter but the Board reviews and approves the overall recommendations of the committee.

The Board as a whole considers remuneration packages for Directors and makes recommendations to shareholders.

- **Nomination Committee**

In line with the new NZX guidelines, during the year the Board established a Nomination Committee consisting of all members of the Board. This committee reviews all Director nominations with a view to ensuring a high calibre is maintained.

Directors' Meetings

There were 10 Director meetings, three Audit Committee meetings and one Remuneration Committee meeting during the period. There were two requests approved in advance for leave of absence from the 82 attendances required during the year and apart from these absences attendance was 100%.

Share Trading by Directors

The Constitution requires that a Director holds a minimum of 500 shares in the Company.

Directors and executives of the Company are required to seek approval in advance of the trading of shares during the two permitted trading window periods each year. The periods commence at the time the interim and annual results are announced and end on 31 July after the end of the half year and on 28 February after the end of the financial year.

Legislative Compliance and Code of Ethics

The Group utilises both internal resources and external consultants to ensure compliance with relevant legislation governing its activities in fisheries, aquaculture, maritime transport, resource management and human resources. Group policies require management and staff to comply fully with all legislative and operational requirements of all authorities in all jurisdictions in which the Company operates.

No formal code of ethics has been published but all management and staff are made fully aware of the ethical standards of business practice required commensurate with being a publicly listed enterprise. They also are required to take into account laws, customs and ethics in the jurisdictions we operate in. No issues of unethical behaviour were brought to the Board's attention in the past year.

Directors' Fees

Directors' fees were increased at the annual meeting in December 2001 to a maximum of \$250,000. In the current financial period Directors were paid total fees of \$180,000. Directors are encouraged to voluntarily invest a portion of their remuneration in acquiring shares in the Company within the trading windows referred to above.

The Role of Shareholders

The Board aims to ensure that Shareholders are informed of all major developments affecting the Group's state of affairs. Information is communicated to Shareholders in the Annual Report and the Interim Report. The Board made a number of disclosures to the New Zealand Stock Exchange this year outside of the normal reporting time frames. These disclosures included advice about discussions and the end of those discussions on a possible merger with Sealord, the acquisition of the assets of Simunovich Fisheries Limited, the investment in Weihai Dong Won Food Company Limited and the signalling of the approximate level of the final year end result. The Company web site www.sanford.co.nz provides extensive information on the Company and its results. Announcements to the Stock Exchange and any media statements made by the Company are immediately made available on the Company's website.

The Board encourages full participation of Shareholders at the Annual Meeting, to ensure a high level of accountability and identification with the Group's strategy of increasing Shareholder wealth. Consultations with interested sharemarket analysts and investors on half and full year results and other Company developments are also undertaken at regular intervals, consistent with the continuous disclosure rules of the New Zealand Stock Exchange.



Grading live octopus in Coromandel for the Auckland Fish Market

Surveys of Shareholders, customers and other stakeholders continue to be overwhelmingly supportive of the Company's sustainable development report and where possible constructive suggestions are used to enhance reporting to shareholders.

The venue for this year's annual meeting will again be the Ellerslie Convention Centre, Ellerslie Racecourse, Auckland, at 2pm Wednesday 2 February 2005.

Appreciation

Sanford's many stakeholders continue to be supportive of the Company and that support is appreciated.

We continue to be challenged by a New Zealand dollar exchange rate that we believe is unsustainable for an export business in the medium or long term. Fuel price increases have further exacerbated this dilemma. Management are tasked with continuing to work on reducing costs in our business and increasing efficiencies, as well as seeking out business development opportunities, and to improve overall business performance. The recent acquisition of Simunovich Fisheries assets and the investment in China will bring opportunities and benefits for the future.

We have continued to work closely with our important and strategic customers in Asia, America and increasingly in Europe, enhancing our ability to meet customers' needs for the specific products of the quality and supply reliability they require.

The successful completion and implementation from 1 May 2004 of a Company-wide, integrated computer system based on world best practice for the seafood industry placed significant demands on a range of key staff who responded well to that challenge. Directors appreciate the way in which all levels of management and staff handled the extra demands placed on them to ensure a successful implementation.

Sanford continues to be highly regarded in the industry in New Zealand and internationally for the dedication, loyalty and expertise of the executive and management personnel. This can only occur because we have a network of professional skippers, engineers, technicians, farmers, cooks, fishermen, process workers, clerical and administration staff who are running our business 24 hours a day, 365 days a year. Directors acknowledge and appreciate the special efforts they make to meet and exceed the many and constant challenges of our industry.

Directors' Report and Chairman's Review

The Year Ahead

The acquisition of the Simunovich business will improve profitability for Sanford, particularly in the medium to long term as a rational fisheries management regime (individual proportional and transferable quotas versus olympic style fishing) allows catching, fleet, quality and market supply economic benefits to flow.

There will be an impact from the 44% reduction in hoki quota from 1 October 2004 but in the long term this will benefit the sustainability of this fishery. The quota increases for orange roughly on the East Coast of the North Island and ling in the Southern Ocean will benefit Sanford's operations.

Improved results next year will be more dependent on catching success and markets for species and products caught in Argentina (hoki), Ross Sea (toothfish) and the Pacific Ocean (skipjack tuna). A successful squid season in New Zealand next year, similar to this year, will also help maintain earnings. Aquaculture production should also be steady next year.

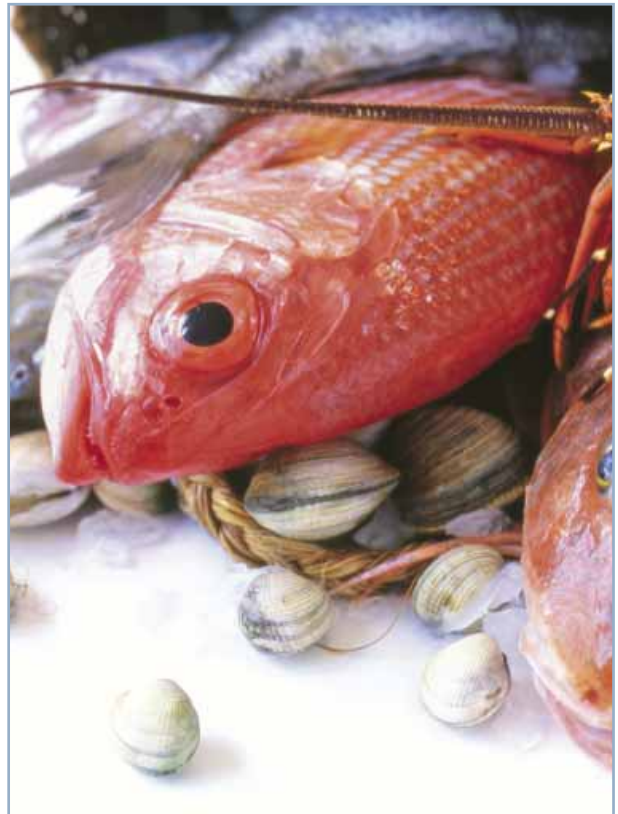
Overall, our Company is very well placed to continue to progress through 2005 and beyond. But improved profitability will require a drop in the value of the New Zealand dollar to more realistic levels and the market for most seafood species remaining positive.

For and on behalf of the Board



W D Goodfellow
Chairman

6 December 2004



Auckland Fish Market Retailers



Ocean Discovery

You can browse through the store and choose from an abundance of selection - live fish, whole fish, fish fillets, smoked fish, shellfish, frozen fish...all at great prices! You'll also find international seafood delicacies and everything you need to prepare your fish, such as special Japanese Sashimi knives.

Be sure to try their authentic Sushi Bar where Japanese master sushi chef, Minoru Yamazaki, will transform the fresh catch of the day into mouthwatering sushi or sashimi right in front of your eyes. Sit at the counter and enjoy the authentic Nigiri Sushi experience – truly an art form in every way! Ph: +64 9 303 0262



Pacific Catch

Pacific Catch is owned and operated by one of New Zealand's most respected seafood businesses with substantial investments in fish quota, a fishing fleet, modern processing facilities and an extensive marketing network.

A fabulous selection of whole fish, filleted fish, healthy live seafood, seafood salads and convenient frozen meals is available. And if that wasn't enough, Pacific Catch has a premier takeaway restaurant offering the very best in cooked seafood meals, ranging from the traditional Kiwi fish and chips to Asian style seafood!

Ph: +64 9 377 5240



Live Fish NZ

Live Fish NZ is founded on the belief of providing the best seafood products to the general consumers.

Over 90% of its products are live seafood normally caught the same day and delivered within 24 hours into specially designed storage tanks. Whether customers prefer fish steamed with black bean sauce, sashimi style, battered or any imaginable style, you can choose to have any fish specifically processed to your liking at the Live Fish premises. Ph: +64 9 373 3616



Sanford Cash'n'Carry

Frozen Seafoods - Retail & Wholesale

The Sanford Cash'n'Carry outlet is open at the Auckland Fish Market. This outlet has a focus on freshly frozen seafood products, with a wide range of fish, shellfish, prawns and other delicacies.

Sanford has the ability to offer superior service and selection to our trade customers, from seafood distributors to providers and restaurants. To the retail customers, Sanford offers a wide selection of products in pack sizes designed to provide superior quality products at the best value in the Auckland area. Ph: +64 9 373 8364



Fred Samuels

Fred Samuels is a gourmet deli and grocer offering an extensive selection of both packaged and prepared products for the inspired foodie, as well as beautiful take home meals and other goodies for the seriously overworked.

Fred Samuels, in conjunction with Produce Central, and other retailers within the Auckland Fish Market, is a one-stop shop – a destination rather than an obligation. The range of hand-made deli items and hand-picked gourmet products ensures the shopper a journey for the senses; a true shopping experience. Ph: +64 9 302 2092



Produce Central

Produce Central is the retail experience of 'The Produce Company', suppliers of top-end fruit and produce to the Auckland hospitality trade. For the first time, the same combination of high quality fresh seasonal produce and service from people who love food enjoyed by top restaurants and chefs is available to home cooks.

As well as a changing range of specialty produce, Produce Central offers fresh breads, eggs, milk, Charlie's fresh squeezed juice and fresh flowers. An in store café, Café Central, provides shoppers with caffeine and snack fixes. Ph: +64 9 307 0356



Anton's Seafoods Limited

Anton's is a vertically integrated seafood business that owns and operates 3 ice trawlers and a modern processing facility, marketing its own production to both local and international client base. Its two larger vessels also participate in fishing outside of the New Zealand EEZ in the Tasman and Pacific Oceans.

Anton's plans to open a wholesale operation at the Fish Market early 2005 to cater to the broader Food Service Industry with both New Zealand and internationally sourced fresh and frozen products. Ph: +64 9 276 0888

Managing Director's Review

Overview and Highlights

Market conditions and a better than expected squid season combined with continuing foreign hedge gains and profits on asset sales to produce a better than expected final result of \$53.9m for the 12 months ended 30 September 2004. This is 14% ahead of the \$47.3m earned in the previous financial year (comparatives are for a 13-month period ended 30 September 2003).

Market prices for species such as mussels, tuna and hoki were weak in the early part of the year but recovered in the second half contributing to improved EBITDA earnings in the second half. EBITDA increased from \$12.7m in the first six months to \$35.6m for the full year. However, this was well down on the \$50.4m for the previous period primarily because of difficult trading in the first six months.

Squid catching in New Zealand was the best for many years and, with significantly reduced catches in South America, market demand and prices were very strong particularly from Europe.

When it was obvious to us that a major reduction in the hoki quota was required, we took the opportunity to sell one of our 64 metre Sterkoder vessels (San Venturer) at a \$5m premium over book value. The sale of the Bullen Street Coldstore in Nelson also resulted in a gain of \$0.8m.

Forward currency hedge gains for the year came in at a record \$55.2m compared to \$35.7m last year. As currency hedges are intended to protect the values of export sales, it is useful to compare the combination of EBITDA and foreign currency gains over the past two periods.

Period Ended 30 September	2004	2003
EBITDA	\$35.6m	\$50.4m
Foreign Currency Gains	\$55.2m	\$35.7m
TOTAL	\$90.8m	\$86.1m

Based on the exchange rate at 30 September 2004 of US\$0.67, currency hedging gains in the current financial year will return \$40.8m. After 30 September 2005 very few currency hedging contracts will remain in place as no hedge contracts have been entered into since the New Zealand dollar rose above US\$0.60.

Significant features of the year were:

- Profits from aquaculture activities were severely impacted from low Greenshell™ mussel prices early in the year and the high value of the New Zealand dollar. Market prices improved in the second half of the year and remain relatively stable. Salmon returns also improved during the year
- Skipjack tuna prices peaked close to US\$1,000 per tonne enabling us to capitalise on good catching periods for both international vessels towards the end of the financial year. Prices have since dropped back to between US\$700 – 800 per tonne on reportedly good catches in the Indian Ocean
- Hoki catches continued their decline with poor catch rates during the peak spawn season outside 25 miles on the West Coast by the two Sterkoder vessels and charter vessels. However, catches by the Rover and the smaller ice vessels inside the 25 mile line and in Cook Strait resulted in record on-shore production at our Timaru plant
- With worldwide groundfish supplies stabilising (apart from New Zealand hoki), there are signs that markets are also stabilising. Increased supplies of Alaskan pollock have not been as disruptive as expected and the fillet markets in America and Europe have improved over the year. The Australian market has weakened with increased fresh fish supplies available and imported lower quality product from South America



Communications room, San Nanumea

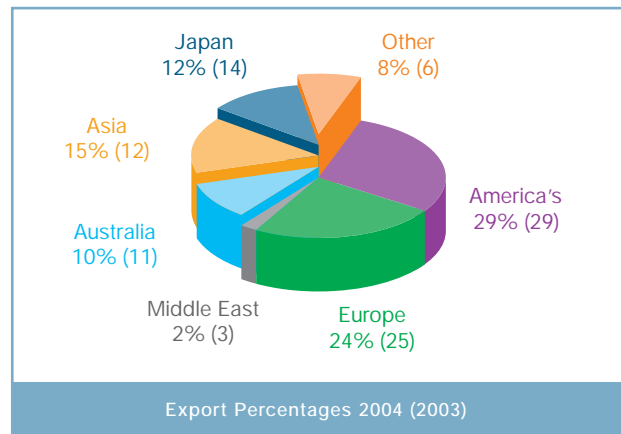
- Orange roughy catching continues to be stable and prices have gradually increased as New Zealand resumes its place as the only major and regular volume producer of orange roughy
- Toothfish catching capacity was expanded during the year with the purchase of the Gudni Olafsson (now renamed the San Aspiring). Unfortunately, access to profitable catching areas in the Ross Sea declined with increased ice coverage and an increase in the number of vessels frustrating fishing activities in the Ross Sea. A reduction in the catch limit prevented our continued access to South Georgia. However, both vessels continued the exemplary record of the San Aotea II recording no bird catches for the year and meeting and exceeding the environmental requirements of operating in the Ross Sea.

Marketing Review

Export volumes and values of orange roughy over the last year were similar to the previous 13-month period with prices improving in line with the increasing value of the New Zealand dollar. With continued strong demand for orange roughy and steady sales volumes of Greenshell™ mussels and toothfish, sales to the Americas were consistent with the previous period.

Exports to Europe declined from 25% last year to 24% this year. The reduction in hoki products available to sell to Europe was offset by the increased catches of squid which was in strong demand from Greece, Spain and Italy. Eastern Europe continues to take increasing volumes of seafood from New Zealand.

The percentage of exports to Japan declined as snapper sales and naming issues for some New Zealand species affected returns.



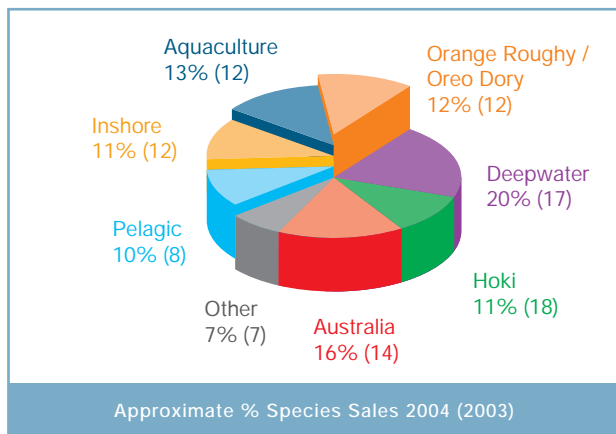
Sales of ling, tuna and other products into the Hong Kong and other Asian markets increased by 23% with sales to China increasing by 42% for the year. Increased sales of skipjack tuna to the Pacific Island canneries and jack mackerel to Africa resulted in exports to other countries increasing from 6% to 8%.

Despite a difficult year, aquaculture increased in importance, continuing its steady growth over past years to now represent 13% of total Group sales. Aquaculture volume growth was 6% on a 12 month year comparative basis.



Grilled whole snapper. Fins are salted to enhance appearance. Sold in Japan through retail outlets, including home delivery boxes

Managing Director's Review



Hoki, as a percentage of total sales, decreased from 18% to 11%, dropping below orange roughy and oreo dory (12%) as the most important fish species. Significant improvements have been achieved in our hoki quality programmes and no rejections have occurred with any major customer this year. Regular shipments of hoki from Argentina have continued into a more stable customer base in Europe and Eastern Europe.

Deepwater species have increased in importance from 17% to 20% with the increased squid and hake catches offsetting declines in toothfish and the warehou species.

Australian operations increased from 14% to 16% of total Group sales and continue to produce steady returns.

Foreign Exchange

Foreign exchange gains for the year totalled \$55.2m compared to \$35.7m the previous 13 months.

Based on the exchange rate at 30 September 2004 of US\$0.67, currency hedging gains next year will earn \$40.8m. After 30 September 2005 very few currency hedging contracts will remain in place as no hedge contracts have been entered into since the New Zealand dollar rose above US\$0.60.

As this report was being prepared, the increase in the value of the New Zealand dollar to more than US\$0.73 is a major concern for Sanford and all New Zealand exporters.

Consensus bank forecasts suggest that the Kiwi will drop towards US\$0.60 cents over the next 12 months and to around US\$0.55 cents over the following 12 months. However, at the same time last year consensus bank forecasts were suggesting a peak at around this time of US\$0.64 cents then a decline towards US\$0.55 cents. The value of the Kiwi against the Japanese yen is forecast to decline from 70 yen to around 60 yen at the end of December 2005.

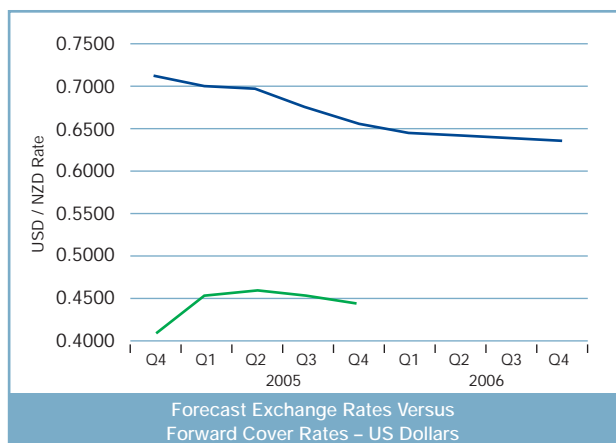
Maximising prices in overseas markets with an increasing New Zealand dollar is a continual challenge for our marketing team, who have to constantly compare returns from different markets using varying exchange rates and different sea and airfreight rates.

Industry Issues

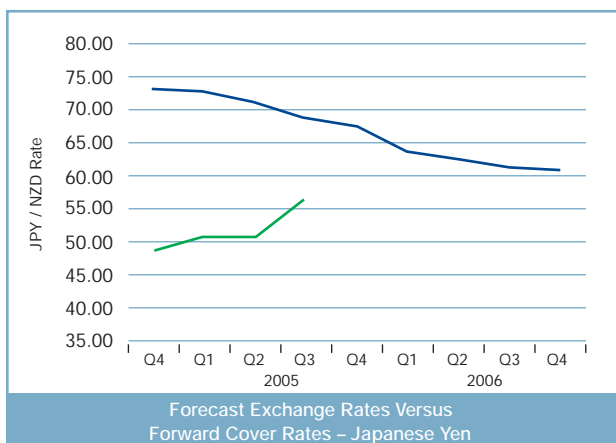
Quota Changes

(TACC = Total Allowable Commercial Catch)

Major quota changes this year occurred with a substantial reduction in the hoki TACC from 180,000 tonnes down to



— Average Bank Forecasts
— Approximate Cover Rate



— Average Bank Forecasts
— Approximate Cover Rate



Hoki processing on board a freezer vessel

100,000 tonnes. Prior to this year the fishery had been modelled on average recruitment (the rate of fish reproducing to the size of commercial catchability). While recruitment in a fishery such as hoki is usually highly variable, between 1994 and 2002 recruitment has been poor. This year the recruitment index in the model that assesses the state of hoki stocks was changed from "average" to "poor". This changed the outlook and the available yield or amount of projected commercial catch for the fishery. There were three options given to reduce the quota, but reducing the catch to 100,000 tonnes gave the

greatest prospect of a recovery in the fishery once recruitment returns to more normal levels.

Quotas were increased for orange roughy on the east coast of the North Island and ling in the southern ocean as well as a number of inshore species such as bluenose, rig and school shark.

Introduction of New Species into the Quota System

A number of additional species were introduced into the Quota Management System from 1 October 2004, of which the most significant for Sanford were scampi, kahawai, southern bluefin tuna and green-lipped mussel spat.

Other species introduced include bigeye tuna, blue shark, mako shark, moonfish, pacific bluefin tuna, porkbeagle shark, rays bream, swordfish, yellowfin tuna, lookdown dory, parore, pipi, porae, red snapper and spiny dogfish.

Since these species were added to the quota system, we have acquired Simunovich's scampi quota up to available aggregation limits and sought exemption from the Commerce Commission and the Minister of Fisheries for exceeding those limits by a relatively small amount.

Our most significant stake in the southern bluefin tuna quota is through our 35% stake in New Zealand Japan Tuna Company

Limited, which received one of the largest allocations of quota. This company traditionally charters Japanese longliners to catch under negotiated-access arrangements.

We are the predominant catcher of kahawai in New Zealand and received over 40% of the quota allocated for this fishery. This was substantially less than our traditional catch in this fishery, as an increased proportion of the allocation was made available to the recreational sector and 20% of that remaining was allocated to Maori. In the main catching area (1) on the east coast of the North Island, this change has reduced the ability of our purse seine fleet to target kahawai, as the available quota will be utilised when catching mixed schools of mackerel and kahawai. Despite this, recreational fishers plan to challenge the Minister's kahawai quota allocation decisions in Court.

A recent one day aerial survey of part of the area reported kahawai schools that totalled more than double the annual commercial quota - hardly a sign that the fishery is depleted.

Since balance date we have acquired a 14% stake in the green-lipped mussel spat fishery on Ninety Mile Beach. While significant progress has been made in catching mussel spat near mussel farms and in hatchery rearing of spat, we are still dependent on wild caught mussel spat from Ninety Mile Beach and the opportunity was taken to secure our position.



Fresh purse seine caught kahawai being packed in Tauranga for an Iranian export order

Managing Director's Review

Skipjack Tuna Fishery

The Government has passed legislation to introduce skipjack tuna caught by New Zealand flagged vessels on the high seas or in other Pacific Island states into the Quota Management System once an international management regime is introduced for skipjack tuna. Under the legislation 20% of the catch history generated by our vessels will be allocated to Maori. With Sanford now owning three vessels in this fishery (following the acquisition of the Ocean Breeze from Simunovich interests), we are investigating options to change the flag of these vessels to protect our interest in any future catch entitlement of these vessels.

Aquaculture Law Reform

While the aquaculture law reform process is not yet complete, progress to date has been frustrating. Gaining recognition that the key to the future of aquaculture in New Zealand is inextricably linked to security of tenure of water space has been extraordinarily difficult. Giving Regional Councils an option to tender existing space at the expiry of tenure terms, with those same councils being able to retain 50% of the tender proceeds, provides them a potential revenue stream that most will be too tempted to resist.

Aquaculture requires a significant level of research, farming and processing technology development, as well as investment in market development, if the industry as a whole or any new marine farm is to achieve satisfactory, sustainable levels of return over the long term.

Clearly, any uncertainty over future water space access will significantly impede the confidence of investors to make those long term investments.

Aquaculture

Pacific Oysters, Kaeo

Production volumes increased more than 50% this year but were still less than expected because of poor growing conditions in the Houhora Harbour and water quality issues in the Whangaroa Harbour. Rainfall, which prevents harvesting of oysters for a period, also impacted production volumes. Harvest volumes from our Kerikeri farms were well up and covered much of the shortfall from Houhora and Whangaroa. While market development for the increased volumes is a challenge, we believe that we can increase output by a further 10% in the coming year.

Greenshell™ Mussels, Coromandel

Farm production levels in Coromandel were down on expectations with particular challenges being faced harvesting product off the new Wilsons Bay farms before wave action results in product dropping off lines. With the need to harvest large volumes of mussels when product is ready, we will be exploring options for increasing processing



Opening mussels, Coromandel

capacity of mussels from these farms. This year some surplus production was sold to other processors and some shipped to Havelock for processing. Profitability of mussel processing at Coromandel (and all plants) was significantly impacted by low market prices, particularly early in the year, and the high value of the New Zealand dollar.

Greenshell™ Mussels, Havelock

Average monthly production levels through the Havelock plant increased by 12% this year, following a 60% increase last year. While we have made significant productivity and efficiency gains, low market prices in the early part of the season and the high New Zealand dollar continued to impact profitability.

Experimental work with on-growing hatchery-reared spat made progress during the year but there is still significant further progress to be made for full commercial success.

Greenshell™ Mussels, Bluff

Average monthly production volumes declined by 14% for the year as we continued to harvest old and slower growing lines below economical size to make space for more recent and faster growing stock. Additional water space in Big Glory Bay in Stewart Island has recently been secured and processing upgrades to the Bluff factory will be made over the coming year.

King Salmon, Bluff

Growth rates, food conversion ratios and productivity have contributed to continued good results from our salmon operations. Markets in Japan have been slowly improving and domestic demand and airfreight markets have been steady.

Auckland Fish Market



Early morning pre-auction,
Auckland Fish Market

The Auckland Fish Market development was completed during the year and is already making its mark on the Auckland seafood scene. The Sanford site at 22 Jellicoe Street now contains the three elements of the Auckland Fish Market detailed below as well as the Auckland processing plant and Sanford Head Office.

The Auckland Fish Market concept has been developed from other fish market concepts in other major seaside cities around the world. Increasing the awareness of seafood as a healthy and natural source of protein and other vitamins and minerals such as Omega 3 is a primary target.

Auckland Fish Market - Electronic Wholesale Auction

The first electronic wholesale fish market was held on schedule at the end of May 2004 with the opening of the seafood school and the retail market opening soon after. The photograph on the front cover of the annual report shows the electronic fish auction underway.

Fish is supplied to the Auckland Fish Market from Sanford and other catchers and suppliers of seafood from throughout New Zealand. Fish is laid out on display in a chiller where it is available for inspection from 5am every weekday.

The electronic auction gets underway at 6am and, depending on the quantity of fish available, the auction is usually finished before 7am. Availability of fresh seafood in Auckland has improved significantly since the auction started as transparency is improved between export returns and local market returns which previously were distorted by fixed prices and variable demand. The auction has also resulted in fairer pricing and improved access to fish for both small and large buyers.

Fish is weighed, bar coded and recorded electronically as it comes into the auction. Buyers and their bids are identified electronically through the auction process. Before fish is removed from the market, payment is made and the buyers and their bins of fish are matched electronically as they collect and remove their fish from the auction chiller.

Auckland Fish Market – Seafood School

The philosophy behind the Seafood School is to increase awareness of the benefits of seafood as a natural and healthy source of protein as well as to increase awareness of the range of seafood regularly available on the local market.

The Auckland Seafood School consists of a reception lounge, demonstration kitchen with tiered auditorium, and a hands-on, eight-bench per kitchen unit and dining room. Guests congregate in the lounge before the start of the class and then move into the demonstration kitchen where celebrity or well known guest chefs give a demonstration of the preparation and cooking of a particular type of seafood meal. Guests then move into the hands-on kitchen where they prepare the same food they have seen demonstrated. The course concludes when guests sit down to eat the meal they have prepared.



School, Auckland Fish Market

Besides regularly scheduled seafood classes, the facility is available for bookings by corporate or special interest groups where classes can be tailored to meet the needs of the group.

Click onto the Seafood School class schedules at www.afm.co.nz

Managing Director's Review

Auckland Fish Market – Seafood and Fresh Food Market

Every day from 7am to 7pm the new Auckland Fish Market is open to the public for buying seafood, whether it be fresh or frozen, live or processed fillets. Shops are located on the ground floor of the Auckland Fish Market with plenty of free parking on site and nearby. Speciality retailers in the complex are shown elsewhere in this report.

The Auckland Fish Market is now an exciting, vibrant and new face of the commercial fishing industry in New Zealand for both the tourist, restaurant and retail trades.

Inshore Fishing / Processing

Auckland

Inshore catches were increased over last year because four Auckland ice trawlers were able to target hoki in Cook Strait. This was a result of the sale of the San Venturer earlier in the year. The longline vessels continued their operations in the northern areas of New Zealand and achieved catch targets with ease. The Auckland processing facility was fully committed for the year on inshore snapper and trevally, albacore tuna and reprocessing of orange roughy, smooth dory and ling.

Tauranga

Purse seine catches increased this year as better weather and sea temperature conditions increased availability of skipjack particularly on the West Coast of the North Island. Blue and jack mackerel catches were similar to previous years and steady markets ensured there was no major build up of stocks. Factory processing of purse seine varieties continued to be supplemented by reprocessing of orange roughy and smooth dory. Landings from independent vessels in the longline tuna fishery were down as Japanese market prices declined.

Returns from our Export Cold Storage premises at Mount Maunganui reduced as a result of major repairs to the buildings and equipment were undertaken this year. The business continued to maintain its high level of throughput during the year. We have spare land on the site to expand capacity should it be necessary in the future.

Nelson

The Bullen Street coldstore was sold during the year but the Nelson plant site has not yet sold.

Timaru

Overall catches by domestic vessels were steady during the year with increased catches of barracouta and red cod being offset by lower squid catches. In contrast to the prolific squid season in the deepwater operations, the inshore squid catch was below the previous year. Hoki caught by the inshore vessels resulted in a record processing volume through the Timaru plant. The fishmeal plant drier was upgraded during the year increasing the volume and quality of fishmeal produced from fish waste on site.



Installing new fishmeal drier, Timaru

The San Won joint venture coldstore in Timaru produced record results after increased volumes of landings and load-outs.

Bluff

Fish processing profits recovered from last year as the plant was fully committed to processing fish from the independent fishermen landing in Bluff and salmon from our farm in Big Glory Bay.

Deepwater

San Venturer

The San Venturer spent the early part of the year in the Olympic-style scampi fishery but was only moderately successful. The vessel then moved into the squid fishery where it had its most successful season in what was a very good squid season. The vessel was sold early June in anticipation of the 44% reduction in the hoki quota from 1 October 2004. The sale resulted in a gain of \$5m depreciation recovered. Some of the hoki quota allocated to this vessel for the remainder of the year was used by the recommissioned Rover which was able to successfully target hoki inside the 25 mile line on the West Coast and in Cook Strait. This product was shipped to Weihai Dong Won Food Company in China.

San Discovery / San Enterprise

The San Discovery spent the whole year targeting hoki and, considering the difficult catching conditions, performed very well with results up to expectations. The San Enterprise performance this year was not up to expectations. The vessel moved progressively through the Olympic-style scampi fishery, into the more successful squid fishery and then back into the hoki fishery.

San Waitaki

The orange roughy and dory fisheries on the Chatham Rise and in the Southern Ocean are proving to be very stable with catch rates consistently good from year to year, producing good results for this vessel. Again most of the product off this vessel is reprocessed in Sanford shore plants, adding value to these products which are in strong demand.

We continue to use the vessel in scientific and acoustic data collection to complement ongoing research into these fisheries. The ability of commercial vessels to collect valuable research data is both efficient and cost effective.

San Aotea II / San Aspiring (formerly Gudni Olafsson)

Both vessels had less successful fishing voyages to the Ross Sea targeting toothfish because of increased competition from extra vessels permitted in the fishery and a shorter season as ice coverage was higher.

The San Aotea II was not able to continue its access to the South Georgia area so both vessels spent a significantly greater part of the year targeting ling and other longline species. While these fisheries provide alternative uses for these vessels, achieving profitable catch rates consistently is not easy.

Both vessels have been permitted into the Ross Sea fishery this season and, as vessel numbers are less than last year, we expect better returns.



Processing toothfish, San Aotea II

Charter Operations

Our charter operations had improved results because of the excellent squid catches and significantly improved market prices. We continue to base our charter operations on three vessels from Dong Won Fisheries Company Limited, of Korea, and one vessel from Kanai Fisheries Limited, of Japan.

International Fishing

Australia

Increased fishing activity in the Great Australian Bight increased volumes of fresh fish available on the Melbourne fish market, creating a more competitive environment and lowering average prices. With continued strong support from independent fishermen and the operation of the San Tangaroa, we achieved good results in Australia. Further enhancements to our Australian business will result from the integration of the Ocean Fresh Fisheries and Racovolis Amalgamated operations over the coming year.

Pacific Tuna Vessels

Prices for skipjack tuna this year averaged well above last year with prices peaking in August and September at over US\$1,000 per tonne before dropping back. Vessel catching rates were still highly variable throughout the year, although overall catches and financial results for these vessels were improved over last year. Catch levels for these vessels will be more difficult to maintain this year as both vessels are required to undergo major dry docking and surveys.

Argentina

Catches in Argentina were more than 15% up on last year's monthly average and contributed to better results, although further improvements and consistent catches are still required to obtain realistic returns on our investment.



Unloading San Arawa II, Argentina, in middle of winter

Managing Director's Review

We continue to seek opportunities that will further enhance our investment in Argentina. Progress has been made on removing some of the trade impediments to business in Argentina but further improvements are still necessary to assist in enhancing returns.

International Investments

Canada - Fishery Products International Limited (FPI)

It is pleasing to note the improved results from this investment, where earnings per share for the nine months ended 30 September 2004 were C\$0.70 per share, an increase of 49% from C\$0.47 per share in the previous period. FPI's investment in new products and increased business in the United States based marketing and added value business (now renamed Ocean Cuisine International) were the main contributors to the improved results.

A proposal to float off 40% of this business through an income trust offering has been delayed by the Governments of Newfoundland and Labrador. This proposal would enable repayment of debt incurred in the recent capital expansion programme in the Newfoundland-based primary fishing business and provide opportunities for further expansion of the business.

Sanford's strategic marketing arrangements with (now) Ocean Cuisine International have continued to grow, increasing 20% over the past year, and we are now focussing our efforts on extending the range of products covered to further enhance that growth.

Acquisition of Simunovich Fisheries Assets

At the end of the year the Company was able to execute a transaction as part of our ongoing growth strategy by acquiring the quota, vessels, assets and equipment of Simunovich Fisheries Limited.

In September 2004 the Government passed legislation bringing scampi into the quota management system, confirming the quota rights and entitlements of scampi for Simunovich Fisheries Limited as pioneers in this fishery. The owners and directors of Simunovich Fisheries Limited had been subject to some unfounded allegations about their development of the scampi fishery but were totally exonerated through a Parliamentary Select Committee inquiry and a State Services Commission inquiry.

Following an approach from Sanford Limited, an agreement was reached and the purchase of most of the assets was able to be completed in time for the start of the fishing year on 1 October 2004. The quota acquired included over 450 tonnes of scampi quota, 3,500 tonnes of deepwater quota (mainly hoki, squid, ling and orange roughy) and 2,000 tonnes of inshore quota (mainly snapper, tarakihi and gurnard). Vessels acquired included four inshore ice trawlers, a small longliner and five scampi freezer trawlers. A service division building and wharf frontage access on leasehold land in Jellicoe Street, Auckland, were purchased along with spare parts, vehicles and other equipment for the vessels.



Vessels purchased from Simunovich

An important part of the agreement provided for Sanford to acquire all future quota issued based on past catch history rights of Simunovich Fisheries Limited.

The "Simu" brand has been the most significant scampi branded product exported from New Zealand for many years. We have leased this brand for a period of three years as an important part of the marketing arrangements with scampi. Market arrangements with existing Sanford and Simunovich customers have been able to continue. There are expected to be opportunities to extract synergy benefits from rationalising some of the operations and assets of the combined businesses over the next year or two and, while these moves will not see any significant capital being released, they will help lower operational costs.

From 1 October 2004 Sanford integrated the inshore quota and fishing vessels into its Auckland-based operations, began fishing the five scampi vessels and took possession of the service division and building/wharf facility in Jellicoe Street. The deepwater quota acquired has also been integrated into our vessel operations for the coming year. While the actual ownership of most of the scampi quota was initially delayed by legal appeals, these have now been dealt with and applications to the Commerce Commission and the Minister of Fisheries have been lodged seeking approval to acquire the remainder of the scampi quota and a small parcel of trevally quota in excess of current quota aggregation limits. In the meantime Sanford has access to the annual catching entitlement of this quota for this year.

The operational staff associated with the assets purchased and a number of administrative staff transferred their employment to Sanford. These personnel include Mr Vaughan Wilkinson, a senior executive of Simunovich, who has joined Sanford as a Business Development Manager but with direct responsibility for the Pacific tuna business and industry liaison activities.

The acquisition of this business will result in additional (EBITDA) earnings over the first year of between \$12 - \$15m at the current high level of the New Zealand dollar; these earnings will increase as the benefits of integration and rationalisation (particularly with scampi becoming a quota species) flow through progressively.

Investment in Weihai Dong Won Food Company Limited

The acquisition on 1 September 2004 of a 25% interest in this wholly foreign owned enterprise in China has been under consideration for some time. The company has been operating since 1998 and is currently increasing its storage and processing capability which will be operational early in 2005.

The business is a stand-alone business acquiring seafood for processing from suppliers around the world, including New Zealand, and selling more advanced seafood products to other customers in Japan and other more sophisticated markets. The business also offers the opportunity for toll processing.

A particular attraction to this investment in China was the comfort we had from a long and successful association with the other main shareholders and the ability to directly participate at board and management level. The current level of profitability of the business offers an attractive return on our investment and the prospects for the business encouraged us to retain an option to increase our stake to 40%.



Fish portion processing, Weihai Dong Won, China

Growth and Development

Notwithstanding the above acquisitions, the Company remains with a strong balance sheet and the ability to fund further expansion. However, there are often difficult rules and regulations to work through before some strategies can be implemented. For example, the aggregation rules in New Zealand restrict our ability to increase our quotas in certain species. Internationally, as in New Zealand, there are often foreign investment restrictions in the fishing or seafood sectors.

Managing Director's Review

At the same time acquisitions have to provide the cash flow to fund the investment as well as providing adequate dividend returns to our Shareholders. We continue to seek efficiencies in our existing business and investigate new business opportunities when they arise.

Project Fish

The successful implementation of an integrated, group-wide, information management system has been one of the Company's most significant projects completed this year.

The new system encompasses catching, harvesting, landing, processing, storage and inter-branch transfers, marketing, and sales and export of all our product in such a way that provides full traceability and accountability through all our operations.

The system integrates Marel (an Icelandic hardware and software production tracking system) with Wisefish (another Icelandic specialist fishing and inventory system) and Navision (a Microsoft corporate finance and accounting system) and PayGlobal (a payroll system). In IT industry terms, the type of company-wide system implemented by Sanford is known as an ERP (enterprise resource planning) system.

Now, for the first time, Sanford is able to operate, manage and report – in one system and in real-time – on nearly every aspect of its business: from its head office in Auckland and from any of its 10 processing and storage facilities around the country.

It is believed that this project marks the first time in the fishing industry worldwide that such an all-encompassing system has been put in place by one company.



Training on our group-wide information management system

Sustainable Development

We continue our focus on "sustainable seafood" and this report provides our fifth sustainable development report to Shareholders and other stakeholders.

The inclusion of Sanford Limited in the FTSE4Good index in March 2004 was a pleasing acknowledgement of our commitments in this area.

Consultation and feedback are an important component of this programme and Shareholders are again encouraged to provide feedback on the postage-paid reply form provided.

Sanford remains committed to the work and principles of the New Zealand Business Council for Sustainable Development and has continued to implement sustainable supply chain initiatives through our purchasing programmes, and to implement targeted youth employment and successful school programmes in regions where we operate.

Outlook

While we continue to have forward foreign exchange cover for the current year, we are concerned at the likely level of the New Zealand dollar when our cover runs out. Every one cent movement of the New Zealand dollar against the US dollar means a one cent change in our earnings per share.

Markets are relatively strong in Europe, America and Asia and, as long as they stay that way, earnings growth from our existing and new business (apart from exchange rate impacts) should be positive.

As noted by the Chairman in his review, the final outcome for next year is likely to be more dependent on catches in fisheries outside New Zealand although the success of the squid fishery in New Zealand (both in terms of catch and market) will have an effect.

We will continue to pursue value accretion opportunities for Shareholders and contribute to the development of the New Zealand seafood industry.

Acknowledgements

Credit is due to the Sanford staff involved in the success of the Project Fish implementation for their patience, persistence and practical focus on achieving the successful outcome. Well done.

The recent purchase of the assets of Simunovich Fisheries required significant effort by both the Sanford management team and Sanford and former Simunovich operational staff to achieve what was a successful 1 October start up.

All of our operational and management team worked extremely hard to bring a reasonable result to Shareholders in the past year. There have been few staff changes during the year, although in late November long serving (32 years) staff member Maxine Folland retired from her senior accounting role in Head Office.

Directors this year were faced with some significant issues to decide on and as always provided sound guidance to management while maintaining a strong stewardship role on behalf of Shareholders.

Thank you.



E F Barratt
Managing Director
6 December 2004

The Annual Meeting will be held: 2:00pm, Wednesday, 2 February 2005
Newmarket Room, Ellerslie Convention Centre, Ellerslie Racecourse, Greenlane Road, Auckland

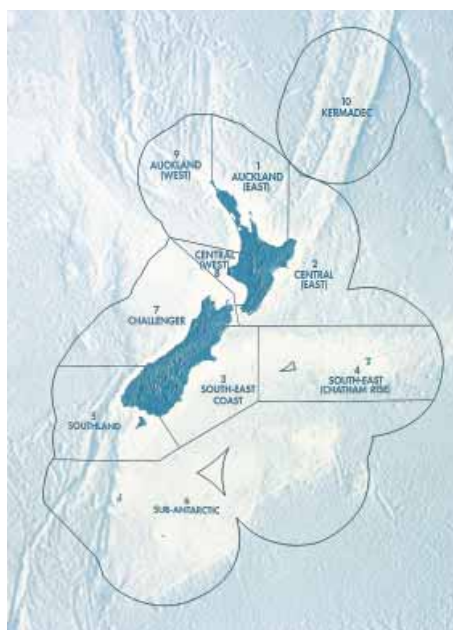
In previous years we have made available to shareholders attending the annual meeting a complimentary parcel of seafood. We will not be doing that this year. Instead we are forwarding to all shareholders a discount voucher which is redeemable at the operations listed on the voucher at the Auckland Fish Market. We trust that as many shareholders as possible will take advantage of this opportunity to visit and shop at the new Auckland Fish Market.



The Ocean Fresh fishes in Australia

Glossary of Fishing Terms in New Zealand

Exclusive Economic Zone (EEZ)	The EEZ comprises of the area which extends for a distance of 200 nautical miles from the nearest point of land from New Zealand, of which New Zealand has had control since the declaration of the EEZ in 1978.
Quota Management System (QMS)	The framework for the management of the main commercial fisheries in the New Zealand EEC.
Total Allowable Commercial Catch (TACC)	The annual catch limit for each fishstock, determined after taking into account recreational and non-commercial interests in the fisheries.
Individual Transferable Quota (ITQ)	Individual Transferable Quota is the fundamental proportional property in any commercial fishery in the Quota Management System. This generates an Annual Catching Entitlement (ACE) each year. ITQ rights are maintained in a public register, are tradable in New Zealand, can be secured by registered mortgage and are issued in perpetuity.
Fishery Management Areas (FMAs) / Fishstocks	There are 10 FMAs within the EEZ. For some species different FMAs are amalgamated. The fishstock is the combination of the species and area. For example, snapper in FMA 1 is fishstock SNA 1; HOK 1 covers all 10 FMAs.
Annual Catch Entitlement (ACE)	A catching right for fish – on the first day of each fishing year ITQ generates an annual catch entitlement (ACE) for which catch is measured against. ACE is traded separately to ITQ, and expires at the end of the fishing year.
Fishing Permit	An appropriate fishing permit is necessary before a person can go commercial fishing. For most species fishermen are not required to hold ACE prior to fishing.
Fishing Year	The fishing year for the majority of species is 1 October to 30 September. Species managed from 1 April to 31 March include southern blue whiting, scallops and crayfish.
Deemed Values	Failure to accumulate sufficient ACE to cover catch by the end of the fishing year results in a deemed value liability – a monetary penalty. The deemed value rate for many fishstocks is ratcheted, ie the rate increases in line with the per cent of over-fishing for each fisher.



New Zealand EEZ / Fishery Management Areas
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SANFORD LIMITED
SUSTAINABLE SEAFOOD

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Five Year Financial Review

	2004 12 months	2003 13 months	2002 12 months	2001 12 months	2000 12 months
	\$000	\$000	\$000	\$000	\$000
Sales revenue	350,445	367,736	393,531	354,887	341,917
Profits					
EBITDA*	35,639	50,353	83,727	84,727	87,809
Depreciation	(17,069)	(16,402)	(18,016)	(14,240)	(12,756)
Net interest	598	285	(2,285)	(1,916)	(1,395)
Net currency exchange gains (losses)	55,202	35,730	(6,760)	(27,694)	(5,054)
Profit on disposal of investments and fixed and long term assets	6,691	3,616	154	4,487	9,537
Operating surplus before taxation	81,061	73,582	56,820	45,364	78,141
Less taxation	27,713	26,876	20,276	15,176	23,549
Operating surplus after taxation	53,348	46,706	36,544	30,188	54,592
Minority interests	522	552	491	-	-
Net surplus attributable to shareholders	53,870	47,258	37,035	30,188	54,592
Equity					
Paid in capital	97,392	97,392	97,392	97,392	96,186
Reserves	396,321	350,133	324,665	306,925	286,670
Minority interests	(501)	(754)	(259)	-	-
Total equity	493,212	446,771	421,798	404,317	382,856
Represented by:					
Current assets	97,302	112,859	94,256	89,404	88,849
Less current liabilities	22,524	24,477	24,639	24,496	66,830
Working capital	74,778	88,382	69,617	64,908	22,019
Investments	27,340	27,457	36,320	31,948	33,941
Fixed and long term assets	394,759	357,887	365,690	363,327	325,102
Deferred taxation	(3,665)	(2,957)	(301)	1,842	1,794
	493,212	470,769	471,326	462,025	382,856
Less non current liabilities	-	23,998	49,528	57,708	-
Total net assets	493,212	446,771	421,798	404,317	382,856
Dividend per share (cents)	22 [†]	21 [†]	20 [†]	20 [†]	20
Special dividend per share (cents)	-	20 [†]	-	-	-
Dividend cover	2.6 [†]	1.2 [†]	1.9 [†]	1.6 [†]	2.9
Return on average total equity	11.5%	10.9%	9.0%	7.7%	15.0%
Earnings per share (cents)	56.3	49.4	38.7	31.6	57.1
Net asset backing per share	\$5.16	\$4.67	\$4.41	\$4.23	\$4.00

* Earnings before interest, taxation, depreciation, total currency exchange gains (losses) and profit on disposal of investments and fixed and long term assets

[†]Includes the dividends proposed after balance date.

Major events

- December 2003 – Special dividend of 20 cents per share
- June 2001 – Repurchased and cancelled 307,340 shares
- December 2000 – Issued 348,000 staff scheme shares
- December 1999 – Millennium dividend of 5 cents per share
- December 1999 – 1:9 Reduction of shares
- December 1999 – 1:8 Taxable bonus issue (strike price \$5.50 per share)



SANFORD LIMITED
SUSTAINABLE SEAFOOD

Financial Statements

Consolidated and Parent Company Statements of Financial Performance

for the year ended 30 September 2004

	Note	CONSOLIDATED		PARENT	
		2004 12 months	2003 13 months	2004 12 months	2003 13 months
		\$000	\$000	\$000	\$000
Operating revenue	2	358,977	373,868	311,525	339,340
Operating expenses	3	277,916	300,286	228,106	283,838
Operating surplus before taxation		81,061	73,582	83,419	55,502
Less taxation charge	4	27,713	26,876	28,270	20,925
Operating surplus after taxation		53,348	46,706	55,149	34,577
Minority interests		522	552	-	-
Net surplus attributable to shareholders		53,870	47,258	55,149	34,577

Consolidated and Parent Company Statements of Movements in Equity

for the year ended 30 September 2004

	Note	CONSOLIDATED		PARENT	
		2004 12 months	2003 13 months	2004 12 months	2003 13 months
		\$000	\$000	\$000	\$000
Net surplus		53,870	47,258	55,149	34,577
Minority interests		(522)	(552)	-	-
Movements in asset revaluation reserve		33,000	(97)	33,000	(97)
Movements in foreign currency translation reserve	8	(1,375)	(1,547)	-	-
Total recognised revenues and expenses		84,973	45,062	88,149	34,480
Amalgamation of subsidiaries	23	-	-	-	147,708
Contributions from Minority interests		690	-	-	-
Distributions to shareholders	5	(39,222)	(20,089)	(39,222)	(20,089)
Movements in equity for the period		46,441	24,973	48,927	162,099
Total equity at beginning of the period		446,771	421,798	448,994	286,895
Total equity at end of the period		493,212	446,771	497,921	448,994

The accompanying notes form part of these financial statements.

Financial Statements

Consolidated and Parent Company
Statements of Financial Position

as at 30 September 2004

		CONSOLIDATED		PARENT	
		2004 September	2003 September	2004 September	2003 September
as at 30 September 2004		\$000	\$000	\$000	\$000
Equity					
Paid in capital	6	97,392	97,392	97,392	97,392
Reserves	7	396,321	350,133	400,529	351,602
Minority interests		(501)	(754)	–	–
Total equity		493,212	446,771	497,921	448,994
Non current liabilities					
Bank loans (secured)	9	–	23,998	–	23,998
Advances from subsidiary companies		–	–	25,847	24,880
Deferred taxation	15	3,665	2,957	3,792	3,055
Total non current liabilities		3,665	26,955	29,639	51,933
Current liabilities					
Bank overdraft and borrowings at call (secured)		442	1,171	–	530
Trade creditors	10	8,786	11,308	7,579	10,089
Other liabilities	11	13,296	11,998	12,569	10,736
Total current liabilities		22,524	24,477	20,148	21,355
Total equity and liabilities		519,401	498,203	547,708	522,282
Non current assets					
Fixed and long term assets	12	394,759	357,887	387,872	352,600
Investments	13	27,340	27,457	4,284	1,536
Interest in subsidiary companies	14	–	–	62,411	59,820
Total non current assets		422,099	385,344	454,567	413,956
Current assets					
Cash on hand and at bank		16,873	35,850	16,661	35,550
Trade debtors	16	30,888	28,229	28,791	26,181
Other debtors and prepayments		10,389	6,991	8,943	5,414
Stocks	17	37,398	40,535	36,880	39,847
Taxation		1,754	1,254	1,866	1,334
Total current assets		97,302	112,859	93,141	108,326
Total assets		519,401	498,203	547,708	522,282

The accompanying notes form part of these financial statements.



SANFORD LIMITED
SUSTAINABLE SEAFOOD

Consolidated and Parent Company Statements of Cash Flows

for the year ended 30 September 2004

	CONSOLIDATED		PARENT	
	2004 12 months	2003 13 months	2004 12 months	2003 13 months
	\$000	\$000	\$000	\$000
Cash flows from operating activities				
<i>Cash was provided from:</i>				
Receipts from customers	346,016	377,534	295,919	341,520
Interest received	1,178	1,763	1,271	1,716
Dividends received	463	605	440	–
	347,657	379,902	297,630	343,236
<i>Cash was applied to:</i>				
Payments to suppliers	189,473	218,082	145,088	214,702
Payments to employees	69,631	72,825	65,622	39,350
Income tax paid	28,460	26,368	28,066	25,852
Interest paid	580	1,514	581	1,514
	288,144	318,789	239,357	281,418
Net cash flow – operating activities	59,513	61,113	58,273	61,818
Cash flows from investing activities				
<i>Cash was provided from:</i>				
Disposal of fixed and long term assets	13,735	943	13,735	921
Sale of investments	176	9,659	–	9,239
Repayment of loans from other entities	–	1,803	–	–
	13,911	12,405	13,735	10,160
<i>Cash was applied to:</i>				
Purchase of fixed and long term assets	28,373	9,965	25,433	9,028
Purchase of investments	2,748	–	4,372	–
	31,121	9,965	29,805	9,028
Net cash flow – investing activities	(17,210)	2,440	(16,070)	1,132
Cash flows from financing activities				
<i>Cash was applied to:</i>				
Dividends paid	39,222	20,089	39,222	20,089
Repayment of loans	21,110	20,686	21,110	20,686
	60,332	40,775	60,332	40,775
Net cash flow – financing activities	(60,332)	(40,775)	(60,332)	(40,775)
Net cash flow for the period from all activities	(18,029)	22,778	(18,129)	22,175
Cash at beginning of the period	34,679	12,148	35,020	13,072
Effects of exchange rate changes on cash	(219)	(247)	(230)	(227)
Cash at end of the period	16,431	34,679	16,661	35,020
<i>Represented by:</i>				
Bank overdraft and borrowings at call	(442)	(1,171)	–	(530)
Cash on hand and at bank	16,873	35,850	16,661	35,550
	16,431	34,679	16,661	35,020

The accompanying notes form part of these financial statements.

Financial Statements

Consolidated and Parent Company Statements of Cash Flows

for the year ended 30 September 2004

Reconciliation of Net surplus attributable to shareholders to Net cash flow – operating activities

Net surplus attributable to shareholders

Non cash items

Depreciation

Minority interests share of profit

Equity accounted (profit) in associated companies

Increase in deferred taxation

Unrealised foreign exchange (gains)

Adjustments for other items

Net (profit) on disposal of fixed and long term assets

Net (profit) on disposal of investments

(Increase) decrease in debtors and prepayments

(Increase) decrease in stocks

Increase (decrease) in creditors and other liabilities

(Decrease) in provision for taxation

Net cash flow – operating activities

	CONSOLIDATED		PARENT	
	2004 12 months	2003 13 months	2004 12 months	2003 13 months
	\$000	\$000	\$000	\$000
Net surplus attributable to shareholders	53,870	47,258	55,149	34,577
Non cash items				
Depreciation	17,069	16,402	16,087	12,073
Minority interests share of profit	(522)	(552)	-	-
Equity accounted (profit) in associated companies	(200)	(229)	-	-
Increase in deferred taxation	708	2,656	737	2,668
Unrealised foreign exchange (gains)	(2,154)	(6,564)	(5,042)	(8,141)
	14,901	11,713	11,782	6,600
Adjustments for other items				
Net (profit) on disposal of fixed and long term assets	(6,691)	(153)	(6,691)	(772)
Net (profit) on disposal of investments	-	(3,463)	-	(3,463)
(Increase) decrease in debtors and prepayments	(2,275)	9,211	(2,161)	7,543
(Increase) decrease in stocks	1,303	146	1,276	(4,306)
Increase (decrease) in creditors and other liabilities	(1,101)	(2,197)	(549)	29,235
(Decrease) in provision for taxation	(494)	(1,402)	(533)	(7,596)
	(9,258)	2,142	(8,658)	20,641
Net cash flow – operating activities	59,513	61,113	58,273	61,818

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

for the year ended 30 September 2004

Note 1 – Statement of Accounting Policies

Reporting Entity

Sanford Limited is a New Zealand company listed on the New Zealand Stock Exchange. The Sanford Group of Companies consists of the Company, its subsidiaries and associates.

During the previous period the Company changed its balance date from 31 August to 30 September. The financial statements for the Group and Company for the comparative period are for the 13 month period ended 30 September 2003.

Statutory Base

The Company is registered under the Companies Act 1993 and these financial statements have been prepared in accordance with the Financial Reporting Act 1993.

Measurement System

The measurement base adopted is that of historical cost, except in the case of fish quota, licences and marine farm licences which have been revalued.

Specific Accounting Policies

The following specific accounting policies have been applied in the preparation of the financial statements:

Consolidated Accounts

The Consolidated Financial Statements include all subsidiary companies using the purchase method of consolidation. All significant inter-company transactions are eliminated on consolidation.

Associate Companies

The Group's share of the net surplus of associates is recognised as a component of operating revenue in the Statement of Financial Performance. The Group's share of other gains and losses of associates is recognised as a component of total recognised revenues and expenses in the Statement of Movements in Equity. Dividends received from associates are credited to the carrying amount of the investment in associates.

Foreign Currencies

The assets and liabilities of independent foreign operations are translated at the balance date closing rate, while revenue and expenses are translated at rates approximating the exchange rate ruling at the date of the transaction. Exchange variations are taken directly to the foreign currency translation reserve.

Transactions covered by short term forward exchange contracts are translated at the rate of exchange specified in the contract.

Other foreign currency transactions are translated to New Zealand currency at the exchange rates ruling at the dates of the transactions.

If a foreign currency liability is designated as a hedge of a foreign non-monetary asset (or vice versa), both the asset and the liability are translated at the closing rate. Exchange differences are taken to the foreign currency translation reserve.

At balance date foreign currency monetary assets and liabilities are translated at the closing rate or the forward rate where foreign exchange contracts are in place. The exchange variations arising from these translations are recognised in the Statement of Financial Performance.

Fish Quota, Licences and Marine Farm Licences

Fish quota, licences and marine farm licences are stated at Directors' valuation with subsequent purchases recorded at cost.

Fish quota, licences and marine farm licences were last revalued at 30 September 2004 to a Directors' valuation, which was determined with reference to market value. Market value considered recent transactions including transactions reported to the quota registrar.

Any increase in value upon revaluation is recognised directly in equity.

Fixed Assets

Fixed assets are stated at cost and depreciated as outlined below.

Fishing Vessel Repairs and Maintenance

Repairs and maintenance costs are expensed as incurred.

Notes to the Financial Statements

for the year ended 30 September 2004

Note 1 – Statement of Accounting Policies (continued)

Depreciation of Fixed Assets

Depreciation is calculated using straight-line rates to write off the cost of depreciable assets over their expected useful lives. Depreciation rates are regularly reviewed and adjusted when required.

	Years
Specialist buildings in permanent materials	25
Fishing vessels:	
Hulls	15–20
Engines	10–12
Helicopter	5
Electronic equipment	3–4
Machinery and plant	7–10
Motor vehicles, office fixtures and fittings	5–7
Computer software	1
Leasehold buildings	25
Marine farm assets	3

Stock

Stock is stated at the lower of cost and net realisable value. The estimated costs of marketing, selling and distribution are deducted in calculating net realisable value.

Cost is based on the weighted average cost principle and includes expenditure incurred in acquiring the inventory and bringing it to its existing condition and location. In the case of work in progress, costs include an appropriate share of overheads. Fixed overheads are allocated on the basis of normal operating capacity.

Debtors

Debtors are shown at the expected net realisable values.

Investments

Investments are stated at the lower of cost or their recoverable amount. When assessing the estimated recoverable amount, future cash flows from use and ultimate disposal are considered.

Intra-group amalgamations

Where an intra-group reconstruction occurs through a subsidiary amalgamating into the Company by way of a short form amalgamation, the assets and liabilities are recognised in the financial statements of the Company at their previously recorded carrying amounts. The Company's investment in the subsidiary is reduced to zero. Any excess of the carrying amount of the net assets, over the Company's investment in the subsidiary, is recognised in the statement of movements in equity. The results of the amalgamated company are recorded in the net surplus of the Company from the date of the amalgamation.

Investments in Subsidiaries

Investments in and advances to/from subsidiaries are stated at the lower of cost or recoverable amount.

Taxation

Income tax expense is calculated after adjusting for permanent differences between taxable income and accounting income. The liability method of accounting for deferred taxation on a comprehensive basis has been adopted. Future tax benefits arising from timing differences are not recognised unless there is virtual certainty of recovery.

Financial Instruments

The Company uses financial instruments to reduce exposure to fluctuations in foreign currency exchange rates. Forward foreign exchange contracts are arranged to hedge sales denominated in foreign currencies. Financial instruments that are designated as hedges of specific items such as net investment hedges are recognised on the same basis as the underlying hedged items.

Dividends Payable

Dividends declared by Directors by a resolution after balance date are not provided for but are disclosed as an event after balance date in note 26.

Changes in Accounting Policy

All accounting policies have been applied on bases consistent with those used in previous years.



SANFORD LIMITED
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Note 2 – Operating Revenue

	CONSOLIDATED		PARENT	
	2004 12 months	2003 13 months	2004 12 months	2003 13 months
	\$000	\$000	\$000	\$000
Sales revenue – external	350,445	367,736	302,862	285,197
– related party	–	–	261	48,099
Dividend income – external	463	486	440	–
Equity accounted earnings of associates	200	229	–	–
Interest income – external	1,178	1,801	1,103	1,718
– related party	–	–	168	91
Profit on disposal of fixed and long term assets	6,691	153	6,691	772
Profit on disposal of investments	–	3,463	–	3,463
Operating revenue	358,977	373,868	311,525	339,340
Currency exchange gains included in sales	52,449	28,426	52,449	28,426

Note 3 – Operating Expenses

	CONSOLIDATED		PARENT	
	2004 12 months	2003 13 months	2004 12 months	2003 13 months
	\$000	\$000	\$000	\$000
Operating expenses include:				
Depreciation				
Freehold buildings	406	439	406	212
Leasehold buildings	1,099	997	1,099	548
Vessels	9,115	10,830	8,411	9,020
Plant, machinery, fittings and motor vehicles	6,449	4,136	6,171	2,293
Total Depreciation	17,069	16,402	16,087	12,073
Directors' fees	180	195	180	195
Audit fees – KPMG	111	106	82	70
– other auditors	15	16	–	–
KPMG fees for other services – New Zealand taxation advice	129	145	129	145
– other	39	98	14	13
Donations	6	12	6	12
Doubtful debts – written off	1	49	1	11
– increase(decrease) in provision	86	(20)	86	–
Interest	580	1,516	580	1,516
Leasing charges	1,918	1,940	1,574	853
Currency exchange (gains) included in operating expenses	(2,753)	(7,304)	(5,414)	(8,824)
Reconciliation of currency exchange (gains)				
Currency exchange (gains) included in sales	(52,449)	(28,426)	(52,449)	(28,426)
Currency exchange (gains) included in operating expenses	(2,753)	(7,304)	(5,414)	(8,824)
Net currency exchange (gains)	(55,202)	(35,730)	(57,863)	(37,250)

Notes to the Financial Statements

for the year ended 30 September 2004

Note 4 – Taxation

	CONSOLIDATED		PARENT	
	2004 12 months	2003 13 months	2004 12 months	2003 13 months
	\$000	\$000	\$000	\$000
Income tax expense				
Operating surplus before taxation	81,061	73,582	83,419	55,502
Permanent differences	723	(315)	53	(269)
	81,784	73,267	83,472	55,233
Taxation at 33%	26,989	24,178	27,546	18,227
Under provision for taxation in prior years	724	2,698	724	2,698
Taxation	27,713	26,876	28,270	20,925
Taxation comprises:				
– current taxation	27,005	24,220	27,533	18,257
– deferred taxation	708	2,656	737	2,668
	27,713	26,876	28,270	20,925
Imputation credit account				
Balance at beginning of the period	45,812	28,320	–	–
Credits attached to dividends received	100	1,534	–	–
Taxation payments	27,493	25,681	–	–
Imputation credits attached to dividends paid	(18,939)	(9,723)	–	–
Balance at end of the period	54,466	45,812	–	–

The consolidated group imputation credits are available to be attached to dividends paid by the parent company.

Note 5 – Dividends

	CONSOLIDATED		PARENT	
	2004 September	2003 September	2004 September	2003 September
	\$000	\$000	\$000	\$000
Final dividend 2003–12 cents per share (2002–12 cents per share)	11,479	11,479	11,479	11,479
Special dividend 2003–20 cents per share	19,133	–	19,133	–
Interim dividend 2004–9 cents per share (2003–9 cents per share)	8,610	8,610	8,610	8,610
	39,222	20,089	39,222	20,089

Note 6 – Paid in Capital

	CONSOLIDATED AND PARENT			
	September 2004		September 2003	
	No. of shares	\$000	No. of shares	\$000
Balance at beginning and end of the period (fully paid up)	95,663,717	97,392	95,663,717	97,392

All issued and paid up ordinary shares carry equal voting and dividend rights.

Employee Share Purchase Schemes

2000 Scheme

In 2000 the Company established a share purchase scheme to assist employees in becoming shareholders in the Company. A trust deed dated 6 December 2000 governs the operation of the scheme. Employees nominated are entitled to participate in the scheme. In 2000, 348,000 ordinary shares were issued to employees at \$4.35 per share. The amount of \$1.51m advanced to the Trustee to purchase the shares is interest free. Shares are paid up to \$1.332 (2003 : 92.5 cents) and future dividends paid on the shares will be applied to the balance outstanding. At 30 September 2004, the amount remaining to be paid is \$0.80m (2003 : \$0.98m) and is included in the Statement of Financial Position as an investment. The shares are held by Sanford Investments Limited until fully paid up. At balance date the Trustee is Sanford Investments Limited.

1995 Scheme

In 1995 the Company established a share purchase scheme to assist employees in becoming shareholders in the Company. Final repayments in relation to this scheme of \$222,043 were made during July 2003 resulting in the closure of the scheme as at 31 July 2003.



SANFORD LIMITED
SUSTAINABLE SEAFOOD

Note 7 – Reserves

	CONSOLIDATED		PARENT	
	2004 September	2003 September	2004 September	2003 September
	\$000	\$000	\$000	\$000
Retained earnings	237,726	223,078	247,007	231,080
Asset revaluation reserve	161,947	128,947	153,522	120,522
Foreign currency translation reserve (Note 8)	(3,352)	(1,892)	–	–
	396,321	350,133	400,529	351,602

Note 8 – Foreign Currency Translation Reserve

	CONSOLIDATED		PARENT	
	2004 12 months	2003 13 months	2004 12 months	2003 13 months
	\$000	\$000	\$000	\$000
Balance at beginning of the period	(1,892)	(523)	–	(233)
Difference arising on translation of independent foreign operations	(422)	(789)	–	–
Tax effect of net investment hedges	(953)	(758)	–	–
Minority interests share in translation reserve	(85)	(55)	–	–
Transfer to retained earnings on sale of investment	–	233	–	233
Balance at end of the period	(3,352)	(1,892)	–	–

Note 9 – Bank Loans

The Company had a Canadian Dollar denominated term loan facility.
The loan was repayable as follows:

One to two years

CONSOLIDATED AND PARENT	
2004 September	2003 September
\$000	\$000
–	23,998

Interest rates applicable were 3.95% (2003: 2.09% – 4.15%). The loan, secured by floating charges and guarantees over the assets of the Company and Group, was repaid during the year.

Note 10 – Trade Creditors

	CONSOLIDATED		PARENT	
	2004 September	2003 September	2004 September	2003 September
	\$000	\$000	\$000	\$000
External	8,786	11,308	7,579	10,089
Related party	–	–	–	–
	8,786	11,308	7,579	10,089

Note 11 – Other Liabilities

	CONSOLIDATED		PARENT	
	2004 September	2003 September	2004 September	2003 September
	\$000	\$000	\$000	\$000
Employee entitlements	3,346	3,061	2,858	2,750
Other creditors	9,950	8,937	9,711	7,986
	13,296	11,998	12,569	10,736

Notes to the Financial Statements

for the year ended 30 September 2004

Note 12 – Fixed and Long Term Assets

	CONSOLIDATED		PARENT	
	2004 September	2003 September	2004 September	2003 September
	\$000	\$000	\$000	\$000
Freehold land	1,467	1,596	1,467	1,596
Freehold buildings	10,138	11,000	10,138	11,000
Less accumulated depreciation	(4,897)	(4,867)	(4,897)	(4,867)
	5,241	6,133	5,241	6,133
Leasehold buildings	36,677	26,059	36,677	26,059
Less accumulated depreciation	(8,428)	(7,424)	(8,428)	(7,424)
	28,249	18,635	28,249	18,635
Fishing vessels	156,685	162,620	136,088	142,719
Less accumulated depreciation	(88,357)	(90,657)	(68,108)	(71,113)
	68,328	71,963	67,980	71,606
Plant, machinery, fittings and motor vehicles	62,230	59,398	59,340	57,998
Less accumulated depreciation	(48,918)	(44,657)	(47,594)	(43,537)
	13,312	14,741	11,746	14,461
Fish quota, licences and marine farm licences at valuation	278,162	244,819	273,189	240,169
Total fixed and long term assets	394,759	357,887	387,872	352,600
Latest aggregate government valuation				
Freehold land and buildings	28,345	27,051	28,345	27,051
Assets under construction				
Leasehold buildings	-	3,298	-	3,298

The Directors reviewed the carrying value of fish quota in the Statement of Financial Position taking into account Total Allowable Commercial Catch changes effective up to and including the fishing year commencing 1 October 2004. Overall the asset values were increased by \$33m at 30 September 2004.

Two independent fishing quota specialist companies provided information on the average prices of species traded. However as quota shares are thinly traded, the Directors applied a discount of 50% to these prices and used the resultant figures for their valuation.

A similar level of discount was applied to marine farm licence space based on the Company's own assessment of the market value of water space.

The latest aggregate government valuation of freehold land and buildings approximates fair value in the opinion of the Directors.

Note 13 – Investments

	CONSOLIDATED		PARENT	
	2004 September	2003 September	2004 September	2003 September
	\$000	\$000	\$000	\$000
Investments in associate companies				
The total investment in associates comprises:				
Share of associates' operating surplus	200	229	-	-
Share of associates' equity at beginning of the period	943	714	-	-
Total share of increase in associates' equity since acquisition	1,143	943	-	-
Cost of investment in associates	4,283	1,535	4,283	1,535
Equity accounted value of investment	5,426	2,478	4,283	1,535
Other investments				
Advances to employee share ownership plans	800	976	-	-
Listed shares	21,113	24,002	-	-
Other	1	1	1	1
	27,340	27,457	4,284	1,536



SANFORD LIMITED
SUSTAINABLE SEAFOOD

Note 14 – Interest in Subsidiary Companies

	PARENT	
	2004 September	2003 September
	\$000	\$000
Shares in subsidiary companies	55,660	55,660
Advances to subsidiary companies	6,751	4,160
	62,411	59,820

Note 15 – Deferred Taxation

	CONSOLIDATED		PARENT	
	2004 12 months	2003 13 months	2004 12 months	2003 13 months
	\$000	\$000	\$000	\$000
Balance at beginning of the period	2,957	301	3,055	3,247
Acquired on amalgamation of subsidiaries	–	–	–	(2,860)
Current period charge	708	2,656	737	2,668
Balance at end of the period	3,665	2,957	3,792	3,055

Note 16 – Trade Debtors

	CONSOLIDATED		PARENT	
	2004 September	2003 September	2004 September	2003 September
	\$000	\$000	\$000	\$000
External	30,888	28,229	28,295	26,097
Related party	–	–	496	84
	30,888	28,229	28,791	26,181

Note 17 – Stocks

	CONSOLIDATED		PARENT	
	2004 September	2003 September	2004 September	2003 September
	\$000	\$000	\$000	\$000
Fish	34,753	37,915	34,235	37,227
Packaging, fishing gear and stores	2,645	2,620	2,645	2,620
	37,398	40,535	36,880	39,847

Note 18 – Non-cancellable Leases

	CONSOLIDATED		PARENT	
	2004 September	2003 September	2004 September	2003 September
	\$000	\$000	\$000	\$000
Lease and rental commitments under operating leases are:				
Up to 1 year	881	795	881	795
1 to 2 years	826	727	826	727
2 to 5 years	2,316	1,993	2,316	1,993
Over 5 years	6,161	5,759	6,161	5,759
	10,184	9,274	10,184	9,274

Notes to the Financial Statements

for the year ended 30 September 2004

Note 19 – Financial Instruments

Exposure to currency, interest rate and credit risk arises in the normal course of the Group's business. Derivatives are used as a means of reducing exposure to fluctuations in foreign exchange rates. While these financial instruments are subject to the risk of market rates changing subsequent to acquisition, such changes would generally be offset by opposite effects on the items being hedged, sales and investments.

The principal or contract amounts and the maximum exposure to credit risk of derivative financial instruments outstanding at balance date is:

	CONSOLIDATED		PARENT	
	2004 September	2003 September	2004 September	2003 September
	\$000	\$000	\$000	\$000
Foreign exchange contracts:				
Amounts receivable at forward contract rates	133,876	294,470	133,876	294,470
Potential gain if contracts met on due date	45,337	80,858	45,337	80,858
Potential gain if contracts closed out	42,018	69,612	42,018	69,612

Potential gain is calculated based on period end exchange rates.

Currency Risk

The Group incurs currency risk as a result of sales and investments that are denominated in foreign currencies. The currencies giving rise to currency risk in which the Group primarily deals are US Dollars, Canadian Dollars and Japanese Yen. Group entities hedge a proportion of trade debtors denominated in foreign currency. At any point in time the Group also takes out economic hedges over a proportion of its estimated foreign currency exposure resulting from sales up to three years forward. The Group also takes out loans in foreign currencies to hedge investments in foreign currencies.

At balance date the Group has current assets of AUD\$2,817,000 (NZD\$3,010,000), GBP£40,000 (NZD\$108,000), EUR €600,000 (NZD\$1,103,000) which are not hedged. The Group does not have any other foreign currency monetary assets or monetary liabilities that are not hedged for the lesser of the next twelve months and the period until settlement.

Interest Rate Risk

The Group generally adopts a policy of ensuring that its exposure to changes in interest rates is on a floating rate basis.

Credit Risk

No collateral is required in respect of financial assets. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. Reputable financial institutions are used for investing and cash handling purposes.

At balance date there were no significant concentrations of credit risk, apart from the majority of trade debtors who participate in the food distribution business.

The maximum exposure to credit risk is represented by the carrying value of each financial asset in the Statement of Financial Position.

Fair Values

The fair values of financial assets and financial instruments differ from their carrying values as shown in the Statement of Financial Position or notes thereto, as follows:

	SEPTEMBER 2004		SEPTEMBER 2003	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	\$000	\$000	\$000	\$000
Consolidated and Parent				
Foreign exchange contracts (Face value \$133,876,000; 2003 \$294,470,000)	8,223	42,018	6,068	69,612
Consolidated and Parent				
Investment in listed shares	21,113	22,521	24,002	22,492
Consolidated and Parent				
Investment in other shares	2,748	2,687	–	–

The fair values have been determined as follows:

Derivative financial instruments

Valued by reference to the quoted market prices of comparable financial instruments.

Investments in listed shares

Valued by reference to the listed price at balance date.

Note 20 – Capital Expenditure

Commitments for capital expenditure

CONSOLIDATED		PARENT	
2004 September	2003 September	2004 September	2003 September
\$000	\$000	\$000	\$000
820	10,168	820	10,168

Note 21 – Contingent Liabilities

Guarantees and Commitments:

Commitments to discounted letters of credit

Other

CONSOLIDATED		PARENT	
2004 September	2003 September	2004 September	2003 September
\$000	\$000	\$000	\$000
3,695	6,001	3,695	6,001
118	165	118	165

Note 22 – Financial Reporting for Segments

The Sanford Group of Companies operates predominantly in the one segment, harvesting, processing and selling seafood products.

Approximately 90% (2003: 90%) of the Group's activities are carried out in New Zealand. There are no other significant reporting segments.

Note 23 – Amalgamations

On 30 June 2003, six subsidiaries (including operating companies Sanford South Island Limited and Timaru Fishmeal Co Limited) were amalgamated into the parent company. The amalgamations had the following effect on the parent company's financial position:

Current Assets

Cash on hand and at bank

Trade and other debtors

Stocks

Non current assets

Fixed and long term assets

Investments

Advances to subsidiary companies

Deferred taxation

Current liabilities

Bank overdraft

Trade creditors

Other creditors

Employee entitlements

Net assets acquired on amalgamation

Cost of investment

Surplus recognised in statement of movements in equity

2003
\$000
35
1,456
29,453
30,944
43,427
33
119,643
2,860
165,963
364
1,537
3,194
1,164
6,259
190,648
(42,940)
147,708

Notes to the Financial Statements

for the year ended 30 September 2004

Note 24 – Related Parties

Identity of related parties with whom material transactions have occurred

Note 25 identifies the principal entities within the Group. All of these entities are related parties of the Company. There are no additional related parties with whom material transactions have taken place.

Types of related party transactions

The Parent Company enters the following transactions with related parties in the normal course of business:

- sale and purchase of fish stocks
- sale and purchase of fixed and long term assets
- management fees

All transactions take place on normal commercial terms.

Material related party transactions:

- Loans and advances to/from related parties – refer notes 13 and 14
- Revenue from related parties – refer note 2
- Payables and receivables to/from related parties – refer notes 10 and 16
- Interest received on loans to related parties – refer note 2
- Purchases from related parties - \$6.8m (2003: \$9.3m)
- Management fees charged to related parties - \$125,000 (2003: \$135,000)

Note 25 – Sanford Group

The Sanford Group comprises the following principal entities:

NAME	INTEREST HELD (%)	BALANCE DATE	PRINCIPAL ACTIVITY
Subsidiary Companies			
New Zealand			
Sanford Investments Limited	100	30 September	Investment company
Auckland Fish Market Limited (incorporated 6 August 2003)	100	30 September	Auction and seafood school company
Australia			
Racovolis Amalgamated Fish Agents Pty Limited	100	30 September	Fish catching and processing
Argentina			
Pesquera Sanford Argentina SA	100	30 September	Vessel leasing
Pesquera San Arawa SA	70	30 September	Fish catching and processing
Associate Companies			
New Zealand			
Auckland Fishing Port Limited	33.33	31 March	Wharf company
Live Lobster Southland (1995) Limited	25	31 March	Seafood processing
San Won Limited	50	30 September	Cold storage
SS Fishing Limited	50	30 June	Non-operating company
China			
Weihai Dong Won Food Co Limited (acquired 1 Sept 2004)	25	31 December	Seafood processing

Note 26 – Events Subsequent to Balance Date

On 24 November 2004, the Directors proposed a final dividend of 13 cents per share to be paid on 15 December 2004.

This dividend has not been provided for in the accounts at 30 September 2004, in accordance with the Company's accounting policy detailed in Note 1.

On 1 October 2004, the Company agreed to acquire the New Zealand fishing business and assets of Simunovich Fisheries Limited for \$137m.

There have been no other significant events occurring since balance date requiring disclosure.

Audit Report



To the shareholders of Sanford Limited

We have audited the financial statements on pages 27 to 40. The financial statements provide information about the past financial performance and financial position of the company and group as at 30 September 2004. This information is stated in accordance with the accounting policies set out on pages 31 to 32.

Directors' responsibilities

The Directors are responsible for the preparation of financial statements which give a true and fair view of the financial position of the company and group as at 30 September 2004 and the results of their operations and cash flows for the year ended on that date.

Auditors' responsibilities

It is our responsibility to express an independent opinion on the financial statements presented by the Directors and report our opinion to you.

Basis of opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Directors in the preparation of the financial statements;
- whether the accounting policies are appropriate to the company's and group's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Our firm has also provided other services to the company and certain of its subsidiaries in relation to taxation services. Partners and employees of our firm may also deal with the company and group on normal terms within the ordinary course of trading activities of the business of the company and group. These matters have not impaired our independence as auditors of the company and group. The firm has no other relationship with, or interest in, the company or any of its subsidiaries.

Unqualified opinion

We have obtained all the information and explanations we have required.

In our opinion:

- proper accounting records have been kept by the company as far as appears from our examination of those records;
- the financial statements on pages 27 to 40:
 - comply with New Zealand generally accepted accounting practice;
 - give a true and fair view of the financial position of the company and group as at 30 September 2004 and the results of their operations and cash flows for the year ended on that date.

Our audit was completed on 6 December 2004 and our unqualified opinion is expressed as at that date.

Auckland

Statutory Information

Shareholding Analysis

as at 8 November 2004

	SHAREHOLDERS		SHAREHOLDINGS	
	Numbers	%	Numbers	%
1- 999	691	22.7	311,145	0.3
1,000 - 4,999	1,436	47.3	3,098,869	3.2
5,000 - 9,999	418	13.8	2,728,555	2.9
10,000 - 49,999	384	12.6	7,546,782	7.9
50,000 - 99,999	41	1.4	2,746,607	2.9
Over 100,000	66	2.2	79,231,759	82.8
	3,036	100.0	95,663,717	100.0

Twenty Largest Shareholders

as at 8 November 2004

	SHAREHOLDERS
Amalgamated Dairies Limited	35,822,078
Avalon Investment Trust Limited	8,793,352
New Zealand Central Securities Depository Limited ¹	8,290,801
NZ Guardian Trust Company Limited - A/c 46911900	4,574,870
NZ Guardian Trust Company Limited - A/c 01035700	2,571,508
Portfolio Custodian Limited <042040 A/c >	2,140,439
Hauraki Trading Company Limited	1,679,401
Peter Hanbury Masfen & Joanna Alison Masfen - P H Masfen Family No 2 A/C	1,382,656
William Douglas Goodfellow	1,169,858
Sterling Nominees Limited	1,059,184
Glade Buildings Limited	953,254
Sterling Nominees Limited - A/c No 7	893,022
NZ Guardian Trust Company Limited - A/c 01036200	731,896
John Heywood Taylor & Geoffrey Francis Lindberg - F V Lindberg A/C	506,814
Mary Dorcas Spackman	500,000
Auckland Medical Research Foundation	491,860
Geoffrey Francis Lindberg & John Heywood Taylor - G F Lindberg Family A/C	405,300
David Gwyn Lewis & Elizabeth Patricia Fraser & Peter Clendon Joyce	400,000
Rica Limited	391,155
Hubbard Churcher Trust Management Limited	386,425
¹ New Zealand Central Securities Depository Limited provides a custodial depository service to institutional shareholders and does not have a beneficial interest in these shares. Its major holders are:	
Citibank Nominees (New Zealand) Limited	2,177,848
National Nominees New Zealand Limited	1,881,519
AMP Investments Strategic Equity Growth Fund	576,803
NZ Guardian Trust Investment Nominees Limited	553,784
AMP Life Limited	494,260
Guardian Trust Investment Nominees (RWT) Limited	459,032
ANZ Nominees Limited	454,130
Accident Compensation Corporation	423,765

Substantial Security Holders

According to notices given to the Company under the Securities Amendment Act 1988, as at 6 December 2004 the following were substantial security holders in the Company through having a relevant interest as below.

	NUMBER OF VOTING SECURITIES	DATE OF NOTICE
Avalon Investment Trust Limited	8,738,019	9 September 1998
Amalgamated Dairies Limited	35,822,078*	17 June 1999
Paul Gerard Keeling and Allan Cameron Rattray	36,775,333*	14 October 1999

The total number of issued Voting Securities of Sanford Limited as at that date was 95,663,717.

Because of the provisions of the Securities Amendment Act 1988 more than one relevant interest can exist in the same Voting Security.

* Because Messrs Keeling and Rattray have a relevant interest in Amalgamated Dairies Limited, the shares held by Amalgamated Dairies Limited are included in the shares in which Messrs Keeling and Rattray have a relevant interest.

Directors Shareholding as at 30 September 2004

	BENEFICIAL INTEREST		NON BENEFICIAL INTEREST		ASSOCIATED PERSONS	
	2004	2003	2004	2003	2004	2003
D G Anderson	171,952	171,952	-	-	287	287
E F Barratt	416,655	416,655	265,500	283,500	-	-
M P Bitossi	74,650	74,650	-	-	56,800	56,800
B S Cole	804	804	-	-	6,220	6,220
W D Goodfellow	1,169,858	1,169,858	1,165,624	1,165,624	436,922	436,922
N L Mills	10,000	10,000	200,000	200,000	25,284	25,284
J G Todd	25,000	25,000	-	-	-	-

Mr Barratt is a Director of Sanford Investments Limited, trustee of the 2000 Staff Share Scheme.

Share Dealings by Directors

There were no shares traded by Directors during the year.

Directors' Indemnity and Insurance

The Company has insured all its Directors and the Directors of its subsidiaries against liabilities to other parties (except the Company or a related party of the Company) that may arise from their positions as Directors. The insurance does not cover liabilities arising from criminal actions.

Statutory Information

Directors Remuneration

During the year, Directors received the following remuneration (including the value of benefits):

	DIRECTOR'S FEE		SALARY, BENEFITS AND OTHER PAYMENTS	
	2004 12 months	2003 13 months	2004 12 months	2003 13 months
	\$	\$	\$	\$
D G Anderson	30,000	32,500	-	-
E F Barratt	-	-	377,145	392,658
M P Bitossi	30,000	32,500	-	-
B S Cole	30,000	32,500	-	-
W D Goodfellow	30,000	32,500	-	-
N L Mills	30,000	32,500	-	-
J G Todd	30,000	32,500	-	-

Directors Interest in Transactions

In September 2004 NZX granted the company a waiver from NZSX listing rule 9.2 (dealing with related party transactions) to permit the Company to enter into a term loan facility of \$150m with ANZ National Bank Limited (with provision for syndication), to be used to part fund the purchase of Simunovich Fisheries and other borrowing requirements. ANZ National Bank was deemed to be a related party under the listing rules due to the fact that Jeff Todd, a Director of the Company, had previously been a Director of the bank, even though that connection was plainly unlikely to have influenced the promotion of the proposal to enter into the facility.

Employees Remuneration

During the year, the following numbers of employees received remuneration and other benefits that exceeded \$100,000:

	NUMBER OF EMPLOYEES	
	2004 12 months	2003 13 months
\$100,000 – \$109,999	4	5
\$110,000 – \$119,999	4	5
\$120,000 – \$129,999	7	5
\$130,000 – \$139,999	1	3
\$140,000 – \$149,999	1	-
\$150,000 – \$159,999	1	1
\$160,000 – \$169,999	1	1
\$180,000 – \$189,999	1	1
\$190,000 – \$199,999	2	-
\$200,000 – \$209,999	-	2
\$210,000 – \$219,999	1	-
\$220,000 – \$229,999	-	1
\$240,000 – \$249,999	1	-



SANFORD LIMITED
SUSTAINABLE SEAFOOD

MANAGEMENT DIRECTORY

Head Office

E F Barratt	<i>Managing Director</i>
G J Walker	<i>Strategic Marketing Manager</i>
V H Wilkinson	<i>Business Development Manager</i>
G L McNamara	<i>Company Secretary/Quota Manager</i>
D C McIntosh	<i>Finance Manager</i>
D J Evans	<i>Accounting & Systems Manager</i>
A Cruden	<i>Computer Manager</i>
F G Moors	<i>Environmental Systems Manager</i>

Marketing

G J Burke	<i>Marketing Manager</i>
S T Davy	<i>Marketing Representative</i>
G R McGill	<i>Marketing Representative</i>
J I Quinn	<i>Marketing Representative</i>
D K Cawdron	<i>Logistics Manager</i>
P M Wells	<i>Export Co-Ordinator</i>
M O Korn	<i>Shipping Co-Ordinator</i>
T L Borrell	<i>Technical Manager</i>
I D Cook	<i>Quality Manager</i>
W G W Brassett	<i>Technical Officer</i>

International Fishing

T B Birdsall	<i>Manager</i>
J Pirrello	<i>Ocean Fresh Fisheries Managing Director</i>
I D Scroggie	<i>Australia, General Manager</i>

International Purse Seiners

M C de Beer	<i>Pacific Tuna Vessels Manager</i>
R Kapiteli	<i>Pacific Tuna Operations Manager</i>
A I Bond	<i>Industry Liaison Manager</i>

Deepwater Fishing

G L Johansson	<i>Manager</i>
J P Martyn	<i>Accountant</i>
S C Coles	<i>Charter Manager</i>
A D Adamson	<i>Quota Manager</i>
G W Finlayson	<i>Engineering Manager</i>
S Collier	<i>Freezer Vessel Manager</i>
S J Gibb	<i>Freezer Vessel Manager</i>
P G Perkins	<i>Freezer Vessel Manager</i>
D J Shaw	<i>Freezer Vessel Manager</i>
D C Woods	<i>Freezer Vessel Manager</i>

Inshore Fishing / Processing

S L Walsh *Manager*

Auckland

J H Fitzgerald	<i>Vessel Manager</i>
M E Hall	<i>Production Manager</i>
B D Stubbs	<i>Services Manager</i>

Tauranga

I D vanderNagel	<i>Manager</i>
P A Pinkerton	<i>Fleet Supervisor</i>
B J Olsen	<i>Branch Engineer</i>
J R Steere	<i>Sales Manager</i>
A C Stanley	<i>Production Manager</i>
N Dickson	<i>Accountant</i>
D N Anderson	<i>ECS Coldstores Manager</i>

Timaru

B J Keelty	<i>Manager</i>
J W Routhan	<i>Processing Manager</i>
M J Finlayson	<i>Vessel Manager</i>
D L Fridd	<i>Chief Engineer</i>
B F Hutcheson	<i>San Won Limited Manager</i>

Aquaculture

E J Culley	<i>Manager</i>
D E Stevens	<i>Accountant</i>

Havelock

B R Cardwell	<i>Manager</i>
D Herbert	<i>Marine Farm Manager</i>
S J Gibb	<i>Factory Manager</i>
P McCaffrey	<i>Branch Engineer</i>

Kaero

P J Harris	<i>Manager</i>
G E Richards	<i>Marine Farm Manager</i>

Coromandel

S R Wells	<i>Manager</i>
J C Barr	<i>Marine Farm Manager</i>

Bluff

T M Foggo	<i>Manager</i>
W R MacDonald	<i>Assistant Manager</i>
J B Wilson	<i>Factory Manager</i>
G Northe	<i>Salmon Farm Manager</i>
S Marwick	<i>Mussel Farm Manager</i>
P M Buxton	<i>Kaitangata Hatchery Manager</i>

Corporate Directory

Board of Directors

W D Goodfellow, OBE, Chairman
E F Barratt, Managing Director
D G Anderson
M P Bitossi, JP
B S Cole, Deputy Chairman
N L Mills
J G Todd, CBE

Company Secretary

G L McNamara

Registered Office

22 Jellicoe Street
Freemans Bay
Auckland 1001
New Zealand

Postal Address

PO Box 443
Auckland 1015
New Zealand

Telephone + 64 9 379 4720
Facsimile + 64 9 309 1190

Website www.sanford.co.nz
Email info@sanford.co.nz

Principal Bankers

ANZ National Bank Limited

Solicitors

Chapman Tripp
Fletcher Vautier Moore

Group Auditors

KPMG, Auckland

Stock Exchange

The Company's shares trade on the New Zealand Stock Exchange (NZX)

NZX Trading Code: SAN

The minimum marketable parcel on the Exchange is 50 shares (price \$5 to \$10 per share) or 100 shares (price \$2 to \$5 per share)

Share Registrar

Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
Takapuna, North Shore City
Private Bag 92 119, Auckland Mail Centre
Auckland 1020, New Zealand

Telephone + 64 9 488 8777

Facsimile + 64 9 488 8787

Enquiries

Shareholders with enquiries about transactions, change of address or dividend payments should contact Computershare Investor Services Limited

Telephone + 64 9 488 8777

Email enquiry@computershare.co.nz

Other queries should be directed to the Company Secretary at the Registered Office.