



SANFORD LIMITED
SUSTAINABLE SEAFOOD

25 May 2015

News release: Sanford Reports Satisfactory Result and Marks Shift in Customer Focus in Six Month Result

Sanford Interim Report 2015

CONSOLIDATED INCOME STATEMENT

Revenue \$225.98m (\$225.659m) (+0.14%)

EBITDA \$33.9m (\$28.7m) (+18.1%)

PROFIT BEFORE INCOME TAX: \$13.335m (\$16.260m) (-18.0%)

PROFIT AFTER TAX BUT BEFORE MINORITY INTERESTS: \$9.563m (\$11.711m) (-18.3%)

Minority Interest: Profit \$0.009 (loss \$0.046)

NET SURPLUS ATTRIBUTABLE TO EQUITY HOLDERS OF THE GROUP: \$9.554m (\$11.757m) (-18.7%)

EARNINGS PER SHARE: 10.2cps (12.6cps)

Interim dividend: 9 cents per share

Record date: 12 June 2015

Payment date: 19 June 2015

Imputation tax credit on interim dividend: 3.5cps

Sanford Limited, New Zealand's largest commercial fishing and aquaculture company, has recorded an 18.1% rise in its EBITDA in its interim report for the six months ending 31 March 2015. EBITDA increased to \$33.9m from \$28.7m for the same period last year. Profitability was affected by one-off impairment charges with respect to Sanford's fleet and plant and equipment at the Christchurch mussel processing plant. Net profit after tax for the six months was down 18.3% from \$11.7m in 2014 to \$9.6m for the current half year.

Sanford CEO Volker Kuntzsch says the result is satisfactory, given the challenging conditions faced in international markets. "In particular, in the last three months of the period, we have seen improving results. The team has worked really hard to lift our revenue. Initially, the period was marked by lacklustre sales for a few months, primarily due to weak currencies and political upheaval in some of our important export markets."

The company said sales were also impacted by reduced demand for Greenshell mussels across many regions and the lowest commodity prices for skipjack tuna in 5 years.

The result is supported by a strong performance in the fishing operation, resulting from good catches and lower fuel prices. The mussel farming operation was impacted by a price reduction following limited demand, which has since been recovering. Demand for salmon was dominated by the domestic market for fresh product, but the higher feed requirement by salmon stocks in the summer months lead to increased cost during this period.

Mr Kuntzsch has been with Sanford for 18 months and believes that recent investments into the organizational structure of the company and into innovation will enhance performance in the medium term. "Aligning ourselves with our customers' needs and focusing on the delivery of the newly introduced planning and procurement functions has already delivered encouraging returns."

“We are moving to being a food company rather than just a fishing and marine farming company and this comes from being focused firmly on what our customers want. Offering a growing share of our precious marine resources as high quality fresh seafood to an increasingly discerning customer base seeking product from sustainable sources is one of the elements that we define as adding value.”

“We think there is a shift amongst consumers from seeking convenience food to preparing quality fresh food and for us as a business that is fantastic news.”

A handwritten signature in blue ink, appearing to read 'V. Kuntzsch', written in a cursive style.

Volker Kuntzsch
Chief Executive Officer

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