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Media release
For immediate use

Sanford Planning to Sell Majority of Pelagic Business to Tauranga Based Family Company

New Zealand seafood company Sanford (SAN) has announced it has a conditional agreement to sell its Tauranga based pelagic business to local company Pelco NZ Ltd.

The assets included are three purse seine fishing vessels, processing equipment and pelagic quota in Fisheries Management Area 1.

The quota sale reduces Sanford's overall quota holding under New Zealand's Quota Management System from around 22% to approximately 19% of the total volume available for commercial catch. In value terms, the sale of quota represents 3.75% of the company's quota book value.

A number of jobs in Tauranga are potentially affected by the transition, but Sanford CEO Volker Kuntzsch says the company is working to minimise the impact on jobs.

"We know that if the assets are transferred, Pelco will be looking to hire staff or contract fishers who can support the business. This is a significant consideration for us, as is our view that Pelco is a well-run family company with values similar to ours. We have dealt with them for many years and have always found them to operate with utmost integrity."

Pelco founder and Managing Director Andy Rolleston says he is delighted to be potentially expanding Pelco's business in a way he believes will bring significant benefit to the Bay of Plenty economy and to New Zealand's commercial fishing industry.

"We are a pelagic focused team and this is a great opportunity for us to grow. If this sale is agreed, we're confident we'll be able to do that while fishing sustainably, which is very important to us and Sanford. We have worked with them for many years and know their people well. If the sale is confirmed, we would hope to have positions to offer and would like to be able to welcome former Sanford staff who share our values."

Mr Kuntzsch says the potential sale is a logical fit with Sanford's strategy of focusing on value.

"Strategically, we are concentrating on areas that lend themselves to consumer-centric innovation and branding, while Pelco will benefit from economies of scale. We believe that if this deal goes ahead, it will create more value for both companies and New Zealand as a whole. It then frees up capital to allow us to invest in areas that are a stronger strategic fit."

An announcement confirming the sale or otherwise is expected in a matter of weeks.

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For more information or to arrange interviews, please contact:
Fiona MacMillan
GM Corporate Communications
Sanford
fmacmillan@sanford.co.nz
+64 (0)21 513 522

About Sanford:

Sanford is New Zealand's largest and oldest seafood company. It was first listed on the New Zealand Stock Exchange in 1924. It works in both fishing and aquaculture and operates out of 11 New Zealand sites from Stewart Island to Auckland. Sanford is focused on sustainability and innovation and has recently invested in Enzaq, a Greenshell™ mussel powder business and also in developing the technology to extract collagen from hoki skins for use in medical and beauty products.

About Pelco:

Pelco is a privately owned and operated company based in Mount Maunganui. Pelco mainly operates as a fish processing company, but they are also fishers. They are a family run business, started 21 years ago by Andy Rolleston. Pelco has been very focused on bringing employment to the Bay of Plenty. They currently employ around 50 people and pride themselves on having a strong and loyal team who have built the business over many years.

About Pelagics and Purse Seining

Pelagic fish are usually highly mobile species such as jack mackerel and skipjack tuna. Purse seining is a method of fishing which involves targeting these fish when they are schooled in large groups and drawing a net around them in a circle which is then pulled together like a drawstring purse might be. Most pelagic species caught in New Zealand waters are managed under New Zealand's Quota Management System, which sets strict catch limits to ensure that fish stocks are maintained at sustainable levels.