



SANFORD LIMITED
SUSTAINABLE SEAFOOD



27th July 2009

JOINT ANNOUNCEMENT BY SANFORD LIMITED AND SEALORD GROUP LIMITED RE AGREEMENT FOR SALE AND PURCHASE OF MARINE FARMS IN MARLBOROUGH SOUNDS.

Sanford Limited and Sealord Group Limited today announced that they have reached agreement on the sale and purchase of a package of marine farms in the Marlborough Sounds which are being sold by Sealord to Sanford.

The package comprises approximately 240 hectares of waterspace and equipment for growing mussels and spat. Spat growing on the farms and the young crop forecast to be harvested from July 2010 onwards is also included in the purchase. The purchase price is \$23.4 million and the transaction is expected to be settled within 10 days.

The purchase price does not include crop on the farms that will be ready for harvest in the coming 12 months. Sanford will purchase this crop when it is ready for harvest.

Sanford said that it was pleased to be able to acquire this valuable package of marine farms to add to its existing farms in the Marlborough Sounds:

“This will give us access to increased growing space for greenshell mussels (of approximately 5,000 tonnes per annum) and will allow the continued expansion of our already extensive aquaculture interests in the Marlborough Sounds, Stewart Island, Coromandel and Northland. Since we announced the development and patenting of an automated mussel opening machine, we have operated a fully automated machine line in Havelock on two shifts for a proportion of our production. With the future benefits of this automated mussel opening, the purchase of this parcel of marine farms and other additional volume, we expect to be able to almost double the current throughput within three years.”

Sealord said the sale of its farms in the Marlborough Sounds frees up capital for investment in other areas and that it will concentrate on developing its extensive mussel farm holdings in Tasman Bay and in the Coromandel.

The assets will be transferred within the next 10 days when a final stock-take of equipment and crop is completed. The two companies will aim to work cooperatively with their existing farming and harvesting equipment to maximise efficiency and reduce duplication.

Sanford and Sealord said today this sale and purchase reflects a closer working relationship developed over recent years between the two

companies. They have developed a toll mussel processing company in Tauranga (North Island Mussel Processing Limited – “NIMPL”) which is currently undergoing a \$23m upgrade which includes automated mussel opening machines. They have also agreed upon cooperative catching arrangements for orange roughy and dory on the Chatham Rise. These initiatives have resulted in increased catching and processing efficiencies that have benefited both companies.

Sealord was advised by Murray & Company, a Christchurch based investment banking firm.

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