



SANFORD LIMITED
SUSTAINABLE SEAFOOD

20 October 2010

CONTINUOUS DISCLOSURE STATEMENT

Sanford Limited advises that the result for the year ended 30 September 2010 is likely to be well ahead of analysts' consensus forecasts. Net profit after tax on a consistent basis to last year is likely to be approximately \$23m. However there will be two one-off adjustments that will affect the final profit. The non-cash deferred tax adjustment required by changes made in the May Government budget in respect to depreciation on buildings with an expected life over 50 years will reduce profit by \$1.8m, and there will be a tax-free gain of \$3.4m from the allocation of Emissions Trading Units issued on the basis of our quota ownership although the cash benefit will only be received once the units are sold. These two adjustments lift the reported profit to approximately \$25m.

Revenue for the six months ended 30 September 2010 is up by 14% over the same period last year and for the year totalled \$420m. Sale volumes and values of hoki, squid and salmon increased over the second six months and the same period last year. Skipjack tuna sales increased in the second six months but were down on the same period last year.

Steadily improving prices for many species cushioned some effects of the high exchange rate and allowed inventory levels to be slowly reduced. Coupled with good catches of hoki, squid, scampi, toothfish and southern blue whiting, profitability for inshore and deepwater fishing operations improved in the second six months.

Aquaculture results improved during the period as market prices reflected stronger demand for Greenshell mussels and salmon. Efforts to maintain and increase market prices for Greenshell mussels are continuing and the first shipment of the jointly branded Pure NZ Greenshell Mussels will arrive in China shortly.

The improved revenues and continued efficiency gains has seen profitability increase and EBITDA is up from \$10m for the first six months to approximately \$38m for the second six months and \$48m for the full year. Exchange rate gains will be just over \$7.5m and interest costs will total \$5.8m.

Full results will be released on Wednesday, 24 November.

E F Barratt
MANAGING DIRECTOR