



**SANFORD LIMITED**  
**SUSTAINABLE SEAFOOD**

17 December 2014

**Incoming Chairman, Paul Norling's Address**  
**Sanford Annual Meeting**  
**17 December 2014**

I should take the opportunity as the incoming Chairman to make a few comments about Sanford and the Board's perspective on the Company, its operations and resources.

I must firstly say, however, that in respect to my upcoming leadership of your board I am certainly stimulated not only by the opportunities that lie in front of the company, but also, along with my board colleagues, working with the Sanford management team to realise the potential that exists.

As I have commented in the past, the seafood industry can certainly be challenging and none perhaps more so than Sanford with the extensive seafood diversity associated with our range, types and locations of fishing and farming activities - and an international selling market that traverses the globe. We fish from the deepest southern oceans such as the Ross Sea where we also undertake scientific resource survey activities in respect to toothfish - and fish in a limited way for this sought after seafood delicacy - through to the tropical Pacific where we fish for tuna which can be very volatile in terms of international commodity pricing and catch predictability.

In between these two extremes we have New Zealand's exclusive economic zone of some 4.4 million square kilometres being the fourth largest of any country in the world.

Within this exclusive economic zone we are the largest quota holder with 23% of New Zealand's total annual catch entitlement. As you will be aware the global wild catch resource is finite particularly so with overcatching still occurring in some parts of the world - but not here in New Zealand where our quota management system is working most effectively.

In addition to our extensive wild catch resource we have a substantial footprint in NZ's aquaculture activities with over 200 mussel farms and associated facilities. We process and sell around 40,000 greenweight tonnes of Greenshell mussels per annum being approx. 40% of New Zealand's current production. We also farm and sell a quarter of New Zealand's salmon which is another outstanding product.

It is against the background of this quality resource portfolio that the board is fully supportive of management's strategy and focus on reducing Sanford's high dependency on commodity markets for selling, and also looking to selectively build the Sanford brand with targeted value products into niche markets.

This will not happen overnight - as over 80% of our current annual sales are exported to our global customers - but it offers the potential for worthwhile and more sustainable rewards over time.

Innovation will also be a very important component, and as our chief executive has enunciated today we have two major projects in process that have substantial value enhancing prospects when proven and fully implemented.

It will be apparent to you that our new management team led by Volker Kuntzsch, clearly wants to lift the bar as far as our operations and results are concerned. The board's support applies to all the strands of strategy set out in this year's annual report, including the one of paramount importance which is health and safety.

The health and safety of all people on Sanford sites or vessels etc is extremely important and senior management of the company – with close oversight from the board – has been working very hard and will continue to do so to improve our processes wherever we can in this crucially important area.

Our objective is best practice in all aspects of health and safety and we will continue reporting to you in this regard.

I should also say that both the board and management will be continuing to look closely at our current cost of doing business to ensure we maximise our operational efficiency and margin returns in every way that is sustainably practical and effective.

In conclusion may I reassure you that we are very aware of the company's earnings performance and again both the board and management team are on the same page in this respect. What we are looking for and working towards is a meaningful and continuing improvement in shareholder returns.

Thank you all for your time and attention today, and on behalf of your board we look forward to reporting to you on our progress 12 months from now.