SANFORD LIMITED
SUSTAINABLE SEAFOOD

Interim Report
2009/2010

From sea to food – over 100 years of sustained growth

Interim Report to Shareholders

For the six months ended 31 March 2010

The Directors are pleased to present the Interim Report of Sanford Limited for the six months ended 31 March 2010.

B S Cole
Chairman
16 June 2010

E F Barratt
Managing Director

Contents

Cover image New vessel San Hikurangi.

SANFORD LIMITED
SUSTAINABLE SEAFOOD

Directors' Report

Overview

Operating earnings (EBITDA) decreased from $43.6m last year to $10.3m this year. Overall profit for the six months totalled $5.3m well behind the $26.0m of the previous year. Foreign exchange gains totalled $7.0m this period compared to $6.5m last year.

Consolidated Interim Income Statement

	6 months ended 31 March 2010	6 months ended 31 March 2009	12 months ended 30 September 2009
	$000	$000	$000
Revenue	**185,878**	**228,441**	**433,091**
EBITDA	**10,296**	**43,620**	**68,366**
Depreciation, amortisation and impairment	(6,832)	(8,000)	(14,892)
Net interest	(2,599)	(4,213)	(6,788)
Net currency exchange gains	7,046	6,470	8,387
Net gain (loss) on sale of investments, property, plant and equipment	63	(32)	(35)
Profit before income tax	**7,974**	**37,845**	**55,038**
Income tax (expense)	(2,614)	(11,790)	(15,899)
Profit for the period	**5,360**	**26,055**	**39,139**
Minority interest	(20)	(70)	(64)
Profit attributable to equity holders of the Company	**5,340**	**25,985**	**39,075**

Of the 19% decrease in sales revenue 7% ($17m) is the effect of lower prices for some species, 10% ($22m) is the effect of the higher exchange rate this year and 2% ($3m) is the net effect of lower volumes of some species. While sales volumes of particularly mussels, but also southern blue whiting, hake, squid and scampi increased, volumes of species such as skipjack and hoki were well down. Price increases for species such as squid and toothfish were not able to offset substantial price reductions for mussels and skipjack tuna.

Dividend

Given the future outlook and despite the profit decline the Directors have decided to maintain the interim dividend at 9 cents per share which will be payable 16 June 2010.

Directors’ Report

Highlights

Markets for most species continued to be difficult and slower than expected to return to normal levels, and with the continued high exchange rate, net returns remained lower than acceptable for most species. As a result of these difficult market conditions inventory increased in the six months by $7m to $57m at 31 March 2010.

Costs were approximately $10m less resulting in the net reduction of $33m in EBITDA. The benefits of converting the larger deepwater fleet to light fuel oil has offset some of the effects of increased fuel prices. Other operating costs have been contained within expectations.

Aquaculture profitability was adversely affected by substantially lower market prices for Greenshell mussels as New Zealand producers dropped prices to maintain or increase market share. Profitability from salmon and oyster operations was also adversely affected by low net returns.

Skipjack tuna catches in the Pacific were 12% lower than the same period last year and coupled with lower prices and the higher exchange rates resulted in substantially reduced profitability from this sector.

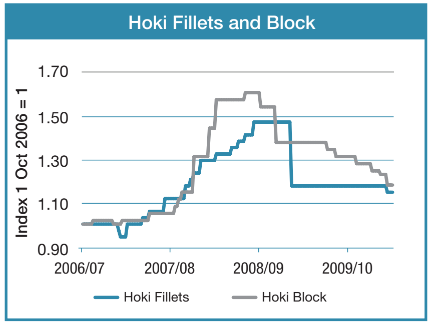
The profitability of our 50% investment in Weihai Dong Won Food Company Limited (WDWF) operations in Weihai, China continues to improve as we are able to increase our contribution to the governance and management of this operation.

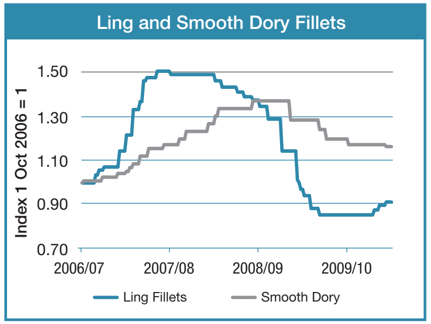
Markets and Pricing

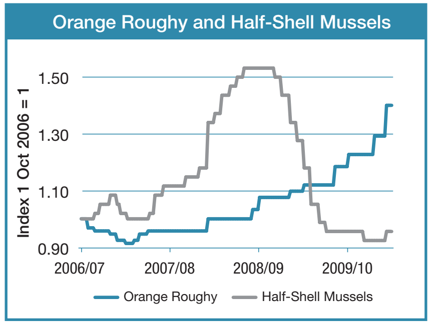
The ongoing effects of the global financial crisis are still affecting pricing in certain species and markets. Markets in Southern European countries and the United Kingdom continued to be difficult and prices of species like ling and hake have been slow to recover. Markets in Northern and Eastern Europe continue to improve and as a result, some reduction of pelagic species stocks occurred in the six months. During the period inventories of some species such as hoki block and salmon increased above normal levels but sales since the end of the period have cleared most of those inventories.

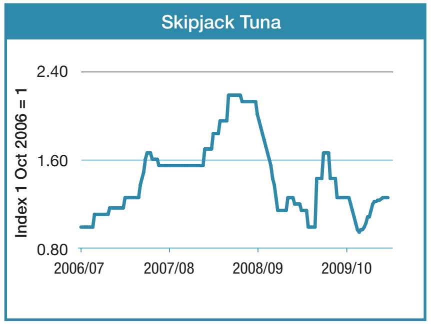
We show in the following graphs some of our important species which illustrate trends in prices for the six months compared with the previous three years; all prices are indexed to 1 October 2006.

Prices for some species including orange roughy and toothfish continued to firm during the period. Mussel prices declined initially in the United States and later in all markets, to a three year low. Hoki block prices remained stable but sales volumes slowed during the period causing an inventory build up that has since been sold.









Directors’ Report

Greenshell™ Mussel Markets

Over the last year there has been considerable price pressure on Greenshell mussel pricing from New Zealand producers undercutting each other. Sanford has commented on this issue in a number of forums. At the same time we have been working to find solutions; there are a number of large producers of Greenshell mussels in New Zealand, as well as quite a number of smaller producers.

The three largest mussel processing plants in New Zealand are the Sanford Havelock plant, the Pacifica plant in Christchurch and the jointly owned North Island Mussel Processors (NIMPL) plant in Tauranga. Other volume producers are mainly Sealord Group (Nelson), Aotearoa Seafoods (Blenheim – owned by Wakatu Incorporation), Talley’s (Motueka) and OP Columbia (Whitianga). There are at least five other smaller producers. Some producers use marketing agents and other seafood trading companies to sell their mussels in export markets resulting in over 25 exporters of Greenshell mussels from New Zealand.

Although an industry body, Aquaculture New Zealand Limited, has worked closely with New Zealand Trade and Enterprise to promote aquaculture internationally it has not been able to provide nor does it have the power to provide any pricing stability in the market place. Sanford has worked on a number of initiatives to try and bring some order to the market. While some of these are ongoing we have recently concluded agreement among the operators of the three largest plants to form a joint company to create a single brand to exclusively market Greenshell mussels into China.

China has previously been a market for New Zealand mussels but has not taken significant volume for a number of years. There is a green mussel that grows in China but the product has a lower meat to shell ratio and is not as flavoursome as the New Zealand Greenshell mussel. Under the New Zealand China Free Trade Agreement the tariff on New Zealand mussels drops progressively to zero in 2012.

The joint company’s brand is Pure New Zealand Greenshell Mussels Limited and the shares are held by Sanford, Pacifica, Sealord, Greenshell New Zealand (a NIMPL partner) and Aotearoa Seafoods. This company was recently launched in Shanghai by the Minister of Trade Hon Tim Groser and is in the process of establishing offices and employing staff to work directly in the Chinese marketplace. Indications are there are a number of Chinese import companies, international hotel chains and retail hypermarkets that would be keen to work with Pure New Zealand Greenshell Mussels to promote our products in China. All partner companies will process the Pure New Zealand Greenshell Mussels in their New Zealand plants exclusively for the Chinese market.

New Zealand Seafood Segment

The New Zealand seafood segment of the business produced reasonable results from inshore and deepwater fishing but poor results from aquaculture. There was some build up of hoki and salmon inventories during the period, most of which have since been sold.

Auckland

Auckland-based inshore vessels performed to expectation with the newly commissioned San Hikurangi settling well into the fleet as the new handling procedures are bedded in.

The processing and packing business for local supermarkets continued to grow steadily. The recent and final stage of processing improvements to the Auckland factory have helped increase efficiency. The Auckland Fish Market, Seafood School and Big Picture Wine™ continue to grow satisfactorily.

Tauranga

Skipjack tuna catches were lower than expected but mackerel catches were well ahead of last year. Demand for mackerel has remained positive from both Eastern Europe and Africa and inventory levels have declined as a result. The Mount Maunganui-based Export Cold Storage business has performed ahead of expectations reflecting the increasing demand for storage of frozen export products.

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Timaru

Catches of inshore species such as red cod, barracouta and squid have been below expectation, resulting in the plant reprocessing deepwater species of smooth and black dory, orange roughy, toothfish and bycatches. The processing of fish waste into fishmeal is a profitable operation as fishmeal prices continue to increase.

The San Won coldstore had a strong half year due to demand for frozen export storage of seafood and other products.

Freezer Trawlers

The two 64-metre hoki freezer vessels continue to benefit from improved catch rates in the hoki fishery where the quota was increased from 1 October 2009, and performed well for one trip in the squid fishery when prices were at record highs. The third 64-metre freezer trawler continues to operate well in the orange roughy and oreo dory fishery under the "One Fleet" co-operative catching arrangement.

Freezer Longliners

While ling catching in the early part of the period was satisfactory it is pleasing to report significantly improved catches in the Ross Sea toothfish fishery as a result of improved management arrangements this year. The New Zealand Government is to be thanked for its efforts to better regulate this fishery. The process to certification of this fishery by the Marine Stewardship Council is being held up by adjudication of an objection, but is expected to be completed in the near future. The San Aspiring has again been approved by the United Kingdom Government and has moved to the South Georgia area, fishing for toothfish.

Scampi Freezer Vessels

The scampi fleet configuration was changed during the period with the retirement of the two oldest vessels and the acquisition of one newer vessel; catch rates so far are improved over last year. Markets remain steady for scampi but with Japan being the dominant market the exchange rate with the Japanese yen will determine whether we can achieve improved returns.

Charter Vessels

The four Korean charter vessels have been successful targeting barracouta, hoki and squid. While catches of squid have been down on previous years prices have been at record highs as the South Atlantic squid fishery has been very poor.

Quota Trading

Income from quota trading has been consistent with previous periods in total with lower demand for squid due to a poor catching season offset by higher demand for alternative species such as barracouta and jack mackerel.

Pacific Oysters – Kaeo

Oyster harvest for the first six months was ahead of expectations with processing continuing later than usual through to mid January. Oyster availability from our farms in Whangaroa was better than expected owing to the dry weather conditions. We have increased the frequency of sampling and testing in the Kerikeri growing area, an additional and unplanned cost, to gather microbiological information in an effort to identify potential issues in these growing waters.

The Pacific oyster industry suffered large losses of spat and variable losses of juvenile and adult oysters at the end of summer. Flesh samples have been forwarded to the Cawthron Institute in Nelson for analysis, but to date we have had no determination of the cause.

Oysters in the Coromandel and the Hauraki Gulf and the spat collection areas in the Kaipara appear to be have been most severely impacted while the far north harbours appear to be less severely affected. This event will likely impact on crop availability for the next two seasons.

Greenshell™ Mussels – Coromandel, Havelock and Bluff

Overall production volumes of Greenshell mussels are well ahead of last year. In Bluff we have ceased processing while we concentrate our resources on producing new higher value salmon portions for new customers in the United States. Mussels grown

Directors' Report

in Stewart Island will now be harvested and shipped to Havelock for processing at times when that plant is not able to source product locally because of rainfall.

Commissioning of the new automated processing factory at the NIMPL plant has been underway for some months and while considerable progress has been made there are still commissioning issues to be resolved with some equipment suppliers. The factory will be officially opened by the Prime Minister on 17 June 2010.

As soon as the commissioning issues are resolved with this plant, we will commence the conversion of our Havelock plant to automated processing. The benefits of this technology are increased yield and lower processing costs providing a very favourable return on investment.

King Salmon – Stewart Island and Bluff

Salmon harvest of the current brood was successfully completed in terms of volume and quality towards the end of 2009. While most of the production remained in store at period end this has all been subsequently sold and shipped to customers. The growth rate for this year's harvest and food conversion ratios are within expectations. While Norwegian salmon farmers initially benefitted from the disease problems in Chile, markets are now becoming more aware of the higher quality and health benefits of farmed King salmon from New Zealand.

Bluff Oysters

We are now part way through our second season of Bluff oysters with product quality and harvest rates continuing to be very satisfactory. Most of our production is being sold via Sanford outlets throughout the country.

Pacific Tuna Vessels

The three Pacific tuna vessels had a poor six months with catches well down and prices also lower. A survey in New Zealand scheduled for one vessel was brought forward after a substantial gear failure that made fishing impossible. This resulted in a longer lost fishing period than intended and contributed to lower catches. Revenue was also reduced through quality issues on one vessel load shipped to Central America.

Australia Seafood Segment

Catching

The San Tangaroa's catch was up to expectations although catch rates in Australia are lower than New Zealand. The vessel operated predominantly from Portland in South Australia with the catch freighted to our market facility in Melbourne. Fish supply to the Melbourne market is also sourced from independent fishermen throughout Victoria, South Australia and lower New South Wales as well as inland fresh water fish. In some cases Sanford quota is used to supplement the fishermen's quota to provide a viable package and operation.

Processing and Distribution

Sales revenue and profitability were reduced in Australia as some lower profit activities were discontinued. The long serving manager of our Australian business retired early in the year after a long and successful career. A new manager appointed from within the operation will face the challenge of dealing with a forthcoming relocation of the market activities and a likely separation of some of the components. Bait sales in West Australia were affected by lower allowable catches of rock lobster as that fishery goes through a difficult period. We remain focused on achieving an acceptable return from our investment in Australia.

Overseas Investments

High Liner Foods Incorporated (TSX:HLF)

We sold our investment in High Liner Foods Inc in December 2009 at close to the carrying value at 30 September 2009. It was never intended to hold this investment for the long term as the shares in High Liner were received as part of our exit from Fishery Products International Limited in 2008.

Weihai Dong Won Food Company Limited, China

The profitability of our 50% investment in Weihai Dong Won Food Company Limited (WDWF) operations in Weihai, China continues to improve as we are able to increase our contribution to the governance and management of this operation.

Directors' Report

Consolidated Balance Sheet and Debt Restructuring

Sanford ratio of shareholders equity in proportion to total assets continues to be strong at just over 75%. The working capital ratio has remained at 1.84, the same level as at the end of September 2009 but down from the 2.1 at the same time last year. Inventory levels have increased from $50m at the end of September 2009 to $57m at the end of the period but we would expect these levels to decline over the next six months.

During the period our banking facilities were renegotiated, extending the expiry of a portion of our term debt out to 2013. In this process we now have our banking arrangements secured (previously we were subject to a negative pledge) and the facilities are being progressively shared from the ANZ Banking Group to now one-third being shared with Rabobank.

Capital Expenditure

Capital expenditure in the period has been minimal. Major upcoming capital expenditure is the planned automation of the Havelock mussel processing operation, most of which will occur in the next financial year.

Sustainable Development

Our commitment to sustainable development and the support of our Sustainable Seafood motto remains strong despite the difficult financial climate. The market is increasingly recognising companies and suppliers that demonstrate commitment to sustainability, credibility, transparency and traceability. We continue to be active in our membership, support and communication with domestic and international organisations that support these ideals.

Outlook for the Second Six Months to 30 September 2010

Despite the poor result for the first six months there are indications that we will see some reasonable recovery in the second six months. Since the end of the period we have seen some major reductions in inventories of hoki and salmon stocks and indications are that markets for these species will be more positive in the second six months. Market for species such as hoki, ling, orange roughy, toothfish and mackerels that will be caught or harvested over the second six months, are likely to continue to improve without the need for any inventory build up. Greenshell mussel pricing is improving, and customer acceptance of pricing increases over the coming months should result in reasonable recovery in profitability for this species over the second part of the year. Skipjack tuna prices have improved and catch rates in the Pacific in the next few months are traditionally the best time of the year.

Over the past few weeks we have seen some weakening of the New Zealand dollar and have taken the opportunity to forward cover some of our expected receipts in US dollars and Japanese yen. At the same time we have protected through the use of collars the US rate going above 72 cents.

While the past six months have been difficult we have continued our focus on technological innovation and a drive to increase efficiency. These efforts continue through a strong and dedicated management team and staff focused on delivering shareholder returns while at the same time focussing on growth opportunities where they can add value.

B S Cole
Chairman

E F Barratt
Managing Director

16 June 2010

Unaudited Condensed Consolidated Interim Income Statement

For the six months ended 31 March 2010

	6 months ended 31 March 2010	6 months ended 31 March 2009	12 months ended 30 September 2009
	$000	$000	$000
Revenue	185,878	228,441	433,091
Cost of sales	(163,958)	(174,842)	(345,633)
Gross profit	**21,920**	**53,599**	**87,458**
Other income	2,054	2,514	5,218
Distribution expenses	(12,441)	(12,387)	(24,186)
Administrative expenses	(5,306)	(5,490)	(10,405)
Other expenses	(2,280)	(1,929)	(4,490)
Operating profit	**3,947**	**36,307**	**53,595**
Financial income	7,337	7,121	9,581
Financial expenses	(2,801)	(5,776)	(8,348)
Net finance income	**4,536**	**1,345**	**1,233**
Share of (loss) profit of equity accounted investees	(509)	193	210
Profit before income tax	**7,974**	**37,845**	**55,038**
Income tax (expense)	(2,614)	(11,790)	(15,899)
Profit for the period	**5,360**	**26,055**	**39,139**
Attributable to:			
Equity holders of the Company	5,340	25,985	39,075
Minority interest	20	70	64
	5,360	**26,055**	**39,139**
Earnings per share			
Basic earnings per share (cents)	5.7	27.8	41.7

Diluted earnings per share is not separately disclosed as no dilution occurred.

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Unaudited Condensed Consolidated Interim Balance Sheet

As at 31 March 2010

	Note	31 March 2010	31 March 2009	30 September 2009
		$000	$000	$000
Equity				
Paid in capital		95,355	95,355	95,355
Retained earnings		438,897	442,001	446,665
Other reserves		3,901	7,764	5,910
Total equity attributable to shareholders of the Company		**538,153**	**545,120**	**547,930**
Minority interest		626	596	591
Total equity		**538,779**	**545,716**	**548,521**
Non-current liabilities				
Bank loans	3	100,000	100,000	100,000
Deferred taxation		4,071	3,410	4,540
Total non-current liabilities		**104,071**	**103,410**	**104,540**
Current liabilities				
Bank overdraft and borrowings at call		40,265	26,378	33,886
Derivative financial instruments		126	–	371
Trade creditors		11,922	13,041	9,500
Other liabilities		14,082	15,838	15,511
Employee entitlements		5,856	5,438	6,020
Taxation payable		–	5,180	2,540
Total current liabilities		**72,251**	**65,875**	**67,828**
Total liabilities		**176,322**	**169,285**	**172,368**
Total equity and liabilities		**715,101**	**715,001**	**720,889**
Non-current assets				
Property, plant and equipment		109,865	110,640	113,195
Investments	7	11,639	19,520	21,319
Term receivable		1,361	5,265	2,749
Biological assets		4,938	4,999	5,574
Intangible assets		454,515	436,682	453,564
Total non-current assets		**582,318**	**577,106**	**596,401**
Current assets				
Cash on hand and at bank		3,294	5,355	4,003
Trade debtors		38,738	46,506	41,253
Derivative financial instruments		1,685	5,923	9,968
Other debtors and prepayments		17,191	13,789	10,202
Current portion of term receivable		2,823	3,529	2,706
Biological assets		7,953	7,205	6,375
Inventories		57,137	55,588	49,981
Taxation receivable		3,962	–	–
Total current assets		**132,783**	**137,895**	**124,488**
Total assets		**715,101**	**715,001**	**720,889**

Unaudited Condensed Consolidated Interim Statement of Cash Flows

For the six months ended 31 March 2010	Note	6 months ended 31 March 2010 $000	6 months ended 31 March 2009 $000	12 months ended 30 September 2009 $000
Cash flows from operating activities				
Cash provided from:				
Receipts from customers		195,674	223,920	444,851
Interest received		187	343	924
Dividends received		89	157	298
		195,950	224,420	446,073
Cash applied to:				
Payments to suppliers and employees		185,792	206,365	391,305
Income tax paid		8,231	10,291	17,189
Interest paid		3,028	3,905	7,171
		197,051	220,561	415,665
Net cash flows from operating activities	6	**(1,101)**	**3,859**	**30,408**
Cash flows from investing activities				
Cash provided from:				
Disposal of property, plant and equipment		77	284	296
Sale of investments and subsidiaries		8,507	75	426
Dividends received from associates		596	341	643
Repayment of loans		1,417	–	1,559
		10,597	700	2,924
Cash applied to:				
Purchase of property, plant and equipment		3,498	11,091	21,309
Purchase of intangibles		4	20,682	37,458
Acquisition of other investments		–	235	2,226
		3,502	32,008	60,993
Net cash flows from investing activities		**7,095**	**(31,308)**	**(58,069)**
Cash flows from financing activities				
Cash provided from:				
Proceeds from borrowings		–	10,000	10,000
Cash applied to:				
Dividends paid	4	13,108	13,108	21,534
Net cash flows from financing activities		**(13,108)**	**(3,108)**	**(11,534)**
Net (decrease) in cash and cash equivalents		**(7,114)**	**(30,557)**	**(39,195)**
Effect of exchange rate fluctuations on cash held		26	131	(91)
Cash and cash equivalents at beginning of the period		(29,883)	9,403	9,403
Cash and cash equivalents at end of the period		**(36,971)**	**(21,023)**	**(29,883)**
Represented by:				
Bank overdraft and borrowings at call		(40,265)	(26,378)	(33,886)
Cash on hand and at bank		3,294	5,355	4,003
		(36,971)	**(21,023)**	**(29,883)**

Unaudited Condensed Consolidated Statement of Comprehensive Income

For the six months ended 31 March 2010	6 months ended 31 March 2010 $000	6 months ended 31 March 2009 $000	12 months ended 30 September 2009 $000
Profit for the period (after tax)	**5,360**	**26,055**	**39,139**
Other comprehensive income			
Net change in cash flow hedge reserve net of tax	(3,165)	5,853	4,115
Foreign currency translation differences	1,171	547	432
Total other comprehensive (loss) income for the period	**(1,994)**	**6,400**	**4,547**
Total comprehensive income for the period	**3,366**	**32,455**	**43,686**
Total comprehensive income for the period is attributable to:			
Equity holders of the Company	3,331	32,382	43,618
Minority interests	35	73	68
Total comprehensive income for the period	**3,366**	**32,455**	**43,686**

Unaudited Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 March 2010	Note	6 months ended 31 March 2010 $000	6 months ended 31 March 2009 $000	12 months ended 30 September 2009 $000
Equity at the beginning of the period		**548,521**	**526,369**	**526,369**
Total comprehensive income for the period		3,366	32,455	43,686
Dividends paid to shareholders of the Company	4	(13,108)	(13,108)	(21,534)
Equity at the end of the period		**538,779**	**545,716**	**548,521**
Equity consists of:				
Paid in capital		95,355	95,355	95,355
Foreign currency translation reserve		2,951	1,911	1,795
Cash flow hedge reserve		950	5,853	4,115
Retained earnings		438,897	442,001	446,665
Total equity attributable to equity holders of the Company		**538,153**	**545,120**	**547,930**
Minority interests		626	596	591
Total equity		**538,779**	**545,716**	**548,521**

Notes to the Unaudited Condensed Interim Financial Statements

For the six months ended 31 March 2010

1. Accounting Policies

There have been no changes in accounting policies. Except as described below, the accounting policies used in the preparation of the interim financial statements are consistent with those of the financial statements for the year ended 30 September 2009. To ensure consistency with the current period, comparative figures have been restated where appropriate. The interim financial statements are prepared in accordance with NZ IAS 34: Interim Financial Reporting and should be read in conjunction with the financial statements for the year ending 30 September 2009.

The standards NZ IAS 1 (revised): Presentation of Financial Statements and NZ IFRS 8: Operating Segments are mandatory for the first time for the financial year beginning 1 October 2009.

NZ IAS 1 (revised): Presentation of Financial Statements
The revised standard requires the presentation of items of income and expenses for non-owner changes in equity to be presented separately from owner changes in equity. All non-owner changes in equity are shown in the statement of comprehensive income.

2. Segment Reporting

NZ IFRS 8: Operating Segments has replaced NZ IAS 14: Segment Reporting and it requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. Operating segments are reported in a manner consistent with the internal reports provided to the chief operating decision maker. The chief operating decision maker has been identified as the Managing Director who reviews the Group's internal reporting in order to assess performance and to allocate funding and resources. Management has determined the operating segments based on these reports.

The Group operates in two segments, New Zealand Seafood and Australia Seafood.

	New Zealand Seafood		Australia Seafood		Eliminations		Total	
	31 March 2010	31 March 2009	31 March 2010	31 March 2009	31 March 2010	31 March 2009	31 March 2010	31 March 2009
	$000	$000	$000	$000	$000	$000	$000	$000
Segment revenue	164,162	198,158	22,996	33,542	(1,280)	(3,259)	**185,878**	**228,441**
Segment result	5,354	24,924	491	938	24	–	**5,869**	**25,862**
Share of profit (loss) of equity accounted investees							**(509)**	**193**
Profit for the period (after tax)							**5,360**	**26,055**

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3. Bank Loans

	Carrying and face value	
	31 March 2010	31 March 2009
	$000	$000
Balance at 1 October (unsecured)	**100,000**	**90,000**
Drawn down	–	10,000
Balance at 31 March (secured)	**100,000**	**100,000**
Interest rates applicable	**3.20%–3.26%**	**3.64%–8.66%**

4. Dividends

The following dividends were declared and paid by the Group for the six months ended 31 March 2010:

	31 March 2010	31 March 2009
	$000	$000
Ordinary dividend (14 cents per share) December 2009 (14 cents December 2008)	13,108	13,108

5. Contingent Liabilities and Commitments

	31 March 2010	31 March 2009
	$000	$000
Commitments to discounted letter of credit	369	3,100
Guarantees	266	234

6. Reconciliation of Profit for the Period with the Net Cash Flow from Operating Activities

	31 March 2010	31 March 2009	30 September 2009
	$000	$000	$000
Profit for the period (after tax)	**5,360**	**26,055**	**39,139**
Adjustments for non-cash items			
Depreciation and amortisation	6,832	6,930	13,510
Impairment	–	1,070	1,383
Change in fair value of biological assets	(942)	(1,002)	1,553
Change in fair value of interest rate swaps	(245)	568	282
Change in fair value of foreign exchange contracts	3,762	(728)	(4,090)
Equity accounted loss (profit) in associated companies	509	(193)	(210)
Increase (decrease) in deferred taxation	885	266	(368)
Unrealised foreign exchange (gains) losses	(1,182)	2,604	(676)
	9,619	**9,515**	**11,384**
Movement in working capital			
(Increase) in debtors and prepayments	(3,186)	(12,867)	(2,688)
(Increase) in inventories	(7,136)	(14,217)	(8,608)
Increase (decrease) in creditors and other liabilities	739	(5,818)	(7,335)
(Decrease) increase in current tax	(6,501)	1,156	(1,484)
	(16,084)	**(31,746)**	**(20,115)**
Items classified as investing activities			
(Gain) loss on sale of property, plant and equipment	(63)	32	35
Loss (gain) on sale of other investments	67	3	(35)
	4	**35**	**–**
Net cash inflows (outflows) from operating activities	**(1,101)**	**3,859**	**30,408**

7. Sale of Shares in High Liner Foods Incorporated (Canada)

In December 2009 the Company sold all of its ordinary and preference shares in High Liner Foods Incorporated for NZ$8.1m.

A loss on sale of NZ$0.1m has been recognised in the income statement.

8. Subsequent Events

There are no events occurring after the reporting period that require disclosure.

Directory

Board of Directors

B S Cole, Chairman
J G Todd, CBE, Deputy Chairman
E F Barratt, Managing Director
D G Anderson
P J Goodfellow
W B Goodfellow
P G Norling

Company Secretary

G L McNamara

Registered Office

22 Jellicoe Street
Freemans Bay
Auckland 1010
New Zealand

Postal Address

PO Box 443
Shortland Street
Auckland 1140
New Zealand

Telephone + 64 9 379 4720
Facsimile + 64 9 309 1190

Website **www.sanford.co.nz**
Email **info@sanford.co.nz**

Stock Exchange

The Company's shares trade on the New Zealand Stock Exchange (NZX).

NZX Trading Code: SAN

The minimum marketable parcel on the Exchange is 100 shares (price $2 to $5 per share) or 50 shares (price $5 to $10 per share).

Share Registrar

Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
Takapuna, North Shore City 0622
Private Bag 92 119, Victoria Street West
Auckland 1142, New Zealand

Telephone + 64 9 488 8777
Facsimile + 64 9 488 8787

Enquiries

Shareholders with enquiries about transactions, change of address or dividend payments should contact Computershare Investor Services Limited.

Telephone + 64 9 488 8777
Email **enquiry@computershare.co.nz**

Other queries should be directed to the Company Secretary at the Registered Office.

SANFORD LIMITED
SUSTAINABLE SEAFOOD

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