



SANFORD LIMITED
SUSTAINABLE SEAFOOD

15 November 2010

SANFORD ACQUIRES PACIFICA SEAFOODS' GREENSHELL™ MUSSEL BUSINESS

Sanford Limited announced today that it had entered into a conditional agreement with Pacifica Seafoods to acquire its Greenshell™ mussel and Pacific Oyster businesses for \$85 million. The condition relates to the pre-arranged funding arrangements becoming unconditional by Wednesday 17 November 2010.

The Pacifica Seafoods businesses and assets to be acquired include:

- Ownership of more than 70 marine farms, 400 hectares of water space and 800 mussel longlines together with lease, share and contract farming operations that include a further 130 hectares of space and 300 mussel longlines.
- 40% interest in an approved 2,695 hectare mussel farm development opportunity in Pegasus Bay near Christchurch.
- A large and modern mussel and salmon processing facility in Christchurch.
- Ten marine farm servicing and harvesting vessels.
- Various properties near the Marlborough Sounds and in Christchurch.
- Pacifica's interest in a cooperative marketing company which markets mussels in China under the "Pure New Zealand Greenshell Mussels" brand (Sanford already has a 35% interest).
- Approximately 295 employees (during peak season).

All employees are required to be offered employment on at least the same terms and conditions as they are employed on now although there will be some restructuring required between Sanford existing employees and the new Pacifica employees where roles may be duplicated. All affected employees in this category will be consulted with as soon as possible.

"The acquisition of the Pacifica Seafoods business is highly complementary with our existing aquaculture business," said Eric Barratt, Managing Director of Sanford. "It follows on from our acquisition of marine mussel farms from Sealord in 2009 and is totally consistent with our aquaculture strategy that we outlined in May this year."

Mr Barratt added, "The acquisition will combine New Zealand's two largest Greenshell™ mussel businesses and will consolidate Sanford's position as New Zealand's #1 aquaculture producer and exporter. The acquisition also offers significant potential synergy benefits for Sanford, particularly in terms of export marketing and further processing automation."

The acquisition is expected to be completed on 30 November 2010, subject to the satisfaction of the remaining conditions. As previously announced, Sanford has already received clearance for the acquisition from the Commerce Commission.

Sanford will fund the acquisition using a new three-year debt facility provided by its existing banks. The acquisition is expected to be earnings accretive for Sanford in the current financial year.

More detailed commentary on the purchase is available on www.sanford.co.nz

Sanford was advised on the acquisition by First NZ Capital and Chapman Tripp.

For further enquiries contact:



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Background on the Aquaculture Industry

Aquaculture is the fastest growing seafood sector and a major export contributor for New Zealand. Aquaculture comprises approximately 20% of New Zealand's total fisheries production (by value) and approximately 15% of total seafood exports (by value).

Approximately two-thirds of New Zealand's aquaculture production is exported.

The Government is a strong advocate of the aquaculture industry and fully supports the industry's goal of achieving revenues of \$1 billion by 2025. Last week the Fisheries and Aquaculture Minister, Phil Heatley, introduced new legislation into Parliament which will amend the legislative and regulatory framework that has stalled the growth of aquaculture in recent years. A key objective of this legislation is to streamline planning and consenting processes in order to reduce costs to industry and provide stronger incentives and greater certainty for industry development.

The Food and Agriculture Organisation (FAO) predicts the world's seafood consumption will rise by 35% over the next ten years, suggesting this growth trend for aquaculture products is likely to continue. It is also estimated that aquaculture will increase from 42% to 58% of global seafood production by 2020.

For further details, see the following websites:

<http://www.aquaculture.org.nz/home/>

<http://www.aquaculture.govt.nz/>