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PRESS RELEASE

“Sanford exits Pacific oyster business”

Sanford Limited has today concluded an agreement to sell its Pacific oyster farms in Northland to Aotearoa Fisheries Limited.

In December last year Sanford closed its Kaeo processing plant because of likely reduced oyster volumes able to be harvested from its farms; an impact of the virus that killed many of the juvenile oysters.

Despite having confidence that, in the medium term, there is potential to breed new oysters that have some resilience to this virus, Sanford decided that it made more sense for it to concentrate on its expanded Greenshell mussel business, in the shellfish sector.

Sanford and Aotearoa Fisheries are of the view that this sale strengthens both companies and will assist the aquaculture industry to continue to grow and prosper.

In total there are 16 farms totalling 128 hectares (6 near Kerikeri, 4 in Whangaroa Harbour and 6 in Houhora Harbour). The sale includes all relevant licences, racks, sticks and cages as well as oysters growing on the farms and vessels and vehicles relevant to the farms.

Discussions continue between the parties over the two remaining Sanford employees involved in the farming business but if they are not required by Aotearoa Fisheries Limited Sanford will honour its commitments to them.



Eric Barratt
MANAGING DIRECTOR

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Effects on Sanford Limited

1. The Pacific oyster business represented about 1% of Sanford's total revenue.
2. There will be a loss on the sale of the farms and a likely impairment of the remaining processing assets which will impact on the second half of the year ended 30 September 2012 of approximately \$2m.
3. Sanford will continue its involvement in the Bluff oyster fishery and the development of farmed Bluff oysters on its mussel farms in Big Glory Bay, Stewart Island.