



SANFORD LIMITED
SUSTAINABLE SEAFOOD

25 January 2012

CHAIRMAN'S ADDRESS

Good afternoon Ladies and Gentlemen

It is my pleasure as Chairman of Sanford Limited to welcome you here today at this our 107th Annual Meeting.

The Sanford AGM provides an opportunity for the Board to offer to shareholders an account of their work through the past financial year. But before doing so I would like to recognise the huge contribution of Bruce Sterling Cole as a Board member and Chairman of the Board until his untimely death in May 2011. We record with gratitude his commitment to creating value for shareholders while maintaining a growth strategy built on sustainable development. Bruce is sorely missed by his family, and friends and colleagues at Sanford.

A full account of the Board's work is provided in the Annual Report but I want to highlight briefly the Board's main points of focus this year.

The Board is elected by Shareholders to provide corporate governance, direction and control of the Company's activities.

Our focus this year has been in the following three areas.

1. Leadership in Strategic Direction

The Company's strategy remains focussed on the seafood and aquaculture business in New Zealand and internationally. The Board is continuing to focus on achieving cost of capital returns on each of its operations to achieve growth in shareholder returns and share value. We must ensure that decisions are based on an assessment of longer-term returns and prospects rather than the short term which is influenced by highly fluctuating factors such as global market conditions and, of course, the exchange rate. Our Board and Management workshops this year have emphasised the need to obtain an adequate return on investment from every division and branch of the Company and from every asset.

Our investment priorities this year have been focussed on the integration of the Pacifica mussel business into Sanford following the \$85 million acquisition of the Company and the upgrading of mussel processing facilities in Havelock which will contribute materially to improved profitability and share price growth over time. In operational and investment activity, the Board is confident that the interests of shareholders, the Board and Management are totally aligned.

2. Corporate Governance

Sanford expects the highest standards of corporate governance and ethical conduct in all aspects of our business. Identification and mitigation, where possible, of business risks, the integrity of management systems and the quality and relevance of reporting to Shareholders are responsibilities of the Board. We have recently completed a comprehensive review of all corporate governance policies, practices and processes to ensure the Company maintains best-practice standards. Additions and improvements to the new Board Manual will confirm those best-practice standards, including updated Board and Committee Charters, Codes of Conduct, Independence and Delegated Authorities Policies and Directors' Deeds of Access.

3. Board Succession Planning

The Board's succession plan includes increasing the size and improving the diversity of the Board as well as reducing the average age of its members.

The first new Director appointed during the year was Elizabeth (Liz) Coutts who joined the Board in June and immediately and ably took over the role of Chair of the Audit Committee. Not only is Liz a very experienced and competent Company Director but she also has practical experience at senior management level and, when she joined the Board, already had corporate governance experience on the Board of a fishing company (fortunately not a competitor). So she had a good knowledge of the industry already.

Our second new Director is Mark Cowsill who was appointed at the beginning of the current financial year, last October. Mark is a New Zealand business leader with extensive experience in profitable and complex business enterprises. He has a deep knowledge of a range of international consumer markets and branding after leading Frucor Beverages over a period of 18 years.

More detailed information about Liz and Mark is, of course, provided in the Chairman's Review in the Annual Report.

We will hear later in the meeting from both Liz and Mark and you will then be invited to consider their re-appointment to the Board.

A handwritten signature in black ink, appearing to read 'J G Todd', is positioned above a horizontal line. The signature is written in a cursive, somewhat stylized font.

J G Todd
Chairman