PRESENTATION TO SANFORD ANNUAL MEETING

VIADUCT HARBOUR CENTRE 25 JANUARY 2012

Disclaimer

This presentation contains not only a review of operations, but also some forward looking statements about Sanford Limited and the environment in which the company operates. Because these statements are forward looking, Sanford Limited's actual results could differ materially. Media releases, management commentary and analysts presentations, including those relating to the year end September 2011 annual results announcement, are all available on the company's website and contain additional information about matters which could cause Sanford Limited's performance to differ from any forward looking statements in this presentation. Please read this presentation in the wider context of material previously published by Sanford Limited.

All Figures are in NZ dollars and volumes are in metric tonnes unless expressly shown otherwise.

SANFORD LIMITED
SUSTAINABLE SEAFOOD

THIS PRESENTATION WILL FOCUS ON

WHERE ARE WE NOW

WHERE SHOULD WE BE

HOW DO WE GET THERE

WHERE ARE WE NOW

NZ$'000	12 months to 30 Sep 2011	6 months to 30 Sep 2011	6 months to 31 Mar 2011	12 months to 30 Sep 2010
Sales revenue	**463,954**	**235,924**	**228,030**	**421,087**
EBITDA	**49,244**	**23,246**	**25,998**	**49,057**
Depreciation & amortisation	(16,255)	(8,739)	(7,516)	(13,754)
Net interest	(10,607)	(5,962)	(4,645)	(5,780)
Net currency gains	10,196	5,871	4,325	7,836
Net gain on sale of investments, PP&E	52	(6)	58	409
Operating surplus before tax	**32,630**	**14,410**	**18,220**	**37,768**
Tax	10,320	(5,217)	(5,103)	(12,743)
Operating surplus after tax	**22,310**	**9,193**	**13,117**	**25,025**
Non Controlling interest	(24)	(2)	(22)	(21)
Net surplus attributable to shareholders	**22,286**	**9,191**	**13,095**	**25,004**

WHERE ARE WE NOW

Revenue impacted by prices & exchange rates

2011 revenue up from $421m to $464m most of gain in First Half.

5% increase due to higher volumes

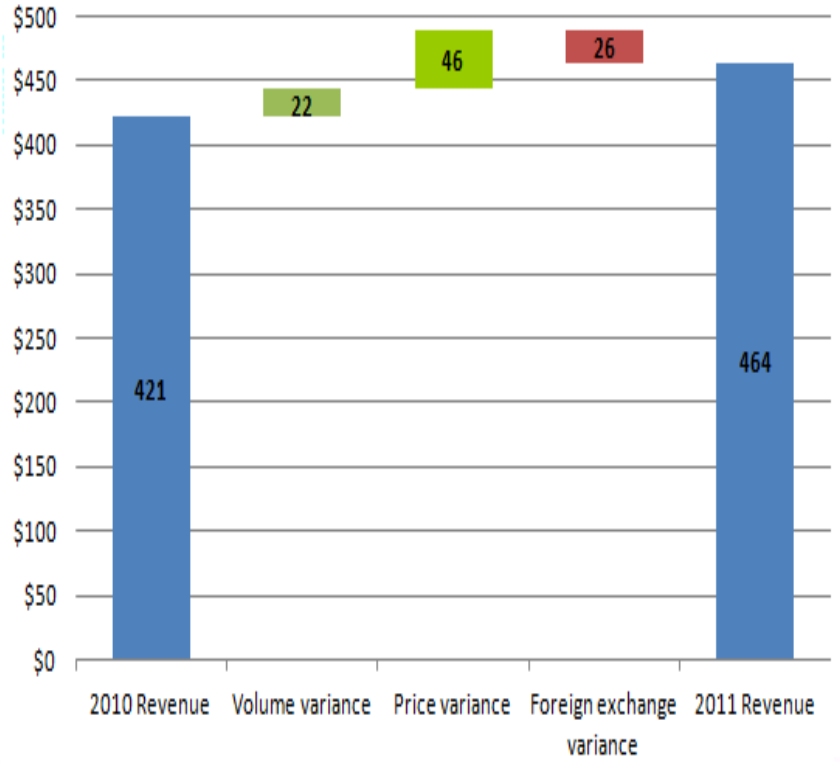
- **Skipjack Tuna, Mussel volumes well up.**
- **Mackerel, Hake, Scampi volumes down.**

11% increase due to more favourable pricing

- **Markets for most species remained stronger than expected with overall price variance $46m.**
- **Mussel prices steady as less NZ producers compete for market share**

6% decrease due to higher NZD

Revenue bridge from FY10 to FY11



SANFORD LIMITED
SUSTAINABLE SEAFOOD

WHERE ARE WE NOW

Six Year financial performance

	2006	2007#	2008#	2009#	2010#	2011#
Revenue	390.4	367.9	436.6	433.1	421.1	463.9
EBITDA*	63.3	52.2	65.9	68.4	49.0	49.2
Net Profit before Tax	40.0	24.9	68.7	55.0	37.8	32.6
Net Profit After Tax	26.1	20.1	53.3	39.1	25.0	22.3
Before Tax Return on Assets	5.8%	3.5%	10.4%	7.6%	5.3%	4.2%

* Earnings before interest, taxation, depreciation and amortisation, impairment of investments, total currency gains/losses and profits on disposal of investments and fixed and long term assets.

Prepared in accordance with New Zealand equivalents to International Financial Reporting Standards

SANFORD LIMITED
SUSTAINABLE SEAFOOD

WHERE ARE WE NOW

Sanford Resource Access (metric tonnes)

	Sanford Quota Shares Owned	Contract or Leased Access	Total Access
Total Wild Capture	**125,147**	**15,000**	**140,147**
	Sanford Marine Farm Long Term Leases	**Contract or Leased Access**	
Greenshell Mussels	30,000	10,000	
Salmon	3,000		
Total Aquaculture	**33,000**	**10,000**	**43,000**
	Sanford Other Permitted Access		
Skipjack Tuna in New Zealand	5,000		
Skipjack Tuna in Pacific	20,000		
Toothfish NZ Ross Sea and SGSI	1,500		
Total Seafood	**26,500**		**26,500**
OVERALL TOTAL	**184,647**	**25,000**	**209,647**

SANFORD LIMITED
SUSTAINABLE SEAFOOD

WHERE ARE WE NOW

Sales for the first three months of the year on a par with last year although last year only included one month from the Pacifica acquisition (down 5% taking this into account)
Tuna sales well down on last year some of which relates to the San Nikunau being tied up in Pago Pago and not able to fish until 1 February 2012.

Inshore and Deepwater similar to last year.

Strong start to year with Aquaculture - sales up by 21% before Pacifica and 43% with Pacifica included.

WHERE ARE WE NOW

Catch and production levels are down 3% in total this last three months.

Tuna catches have been lower with the San Nikunau tied up and the charter vessel fleet has been undergoing major survey and refits in the early part of the fishing year reducing their catches.

However Aquaculture production is double the previous year to date although about a quarter of that is a result of the Pacifica acquisition.

SANFORD LIMITED
SUSTAINABLE SEAFOOD

WHERE ARE WE NOW

The markets in Europe are being impacted by the Eurozone debt crisis. There is a concern about the availability of working capital to fund trade and the constantly changing relativity with exchange rates particularly the Euro US$ cross.

While the American markets have more stability price pressures are common on most species.

China continues to be a growing market for New Zealand seafood

WHERE ARE WE NOW

WHERE SHOULD WE BE

TARGET 15% RETURN ON ASSETS BEFORE TAX

SANFORD LIMITED
SUSTAINABLE SEAFOOD

HOW DO WE GET THERE

Assumptions we make

- We remain a solely seafood company focussed on long term sustainability of resources and returns to investors

- We accept that there will be short term issues that will cause us not to earn 15% pre tax return on investment in some years and in some areas.

- Despite that we must ensure acceptable returns are achievable in the medium to long term.

- Underperforming assets should be sold.

SANFORD LIMITED
SUSTAINABLE SEAFOOD

HOW DO WE GET THERE

Where can we improve returns – Inshore Fishing

- Returns to fishermen and processors is insufficient to justify increased or in some cases existing investment.

- Increased productivity from the resource (increased catch quotas can be justified in some areas) and increased value can be obtained from improved harvesting techniques. (Precision Harvesting project $52m).

- Increased realisation from inherent value of some species eg Pelagic catches of Jack and Blue Mackerel.

SANFORD LIMITED
SUSTAINABLE SEAFOOD

HOW DO WE GET THERE

Where can we improve returns – Aquaculture

- Improving returns from selective breeding of species (mussels and salmon) increasing growth rates and quality attributes (Spat NZ Primary Growth Partnership project $52m over 6 years)

- Increased market returns from improved stability with fewer volume producers and more advanced packaging technologies.

- Focus on selected species

- Possible investment in new species – "sea cage farmed trout"

SANFORD LIMITED
SUSTAINABLE SEAFOOD

HOW DO WE GET THERE

Where can we improve returns – Other Areas

- With access restrictions and costs in the Pacific for skipjack we need to achieve long term, secure and cost effective access arrangements or look at other options for the three large purse seine vessels.

- Increase the integration of Australian imports of fish from New Zealand with fish caught in Australia to produce acceptable returns in both countries.

SANFORD LIMITED
SUSTAINABLE SEAFOOD

HOW DO WE GET THERE

- **Continue to Innovate / New Technology**

  Scales to Sales – integrated software system that collects information from first weighing of fish harvested, through processing on shore and at sea, packing, storage, container, to customer including quota management, fish receiving, process control, inventory management, sales and shipping and financials along the way. Most comprehensive installation in the world in 2004 now being upgraded.

  Automated feed and monitoring systems to manage salmon

  Many incremental gains in farming and harvesting technologies for mussels

  Automated mussel opening machinery installed at NIMPL Mussel and Sanford Marlborough processing facility (Circa $40m).

  Mussel hatchery and breeding programme investment $52m part industry part government funded over 6 years.

  Precision Seafood Harvesting investment $52m part industry part government funding over 7 years

HOW DO WE GET THERE

Global demand for seafood is growing – key sector themes

- Food security
- Increasing consumption in emerging and developing nations
- Health and nutrition
- Sustainability

SANFORD LIMITED
SUSTAINABLE SEAFOOD

HOW DO WE GET THERE

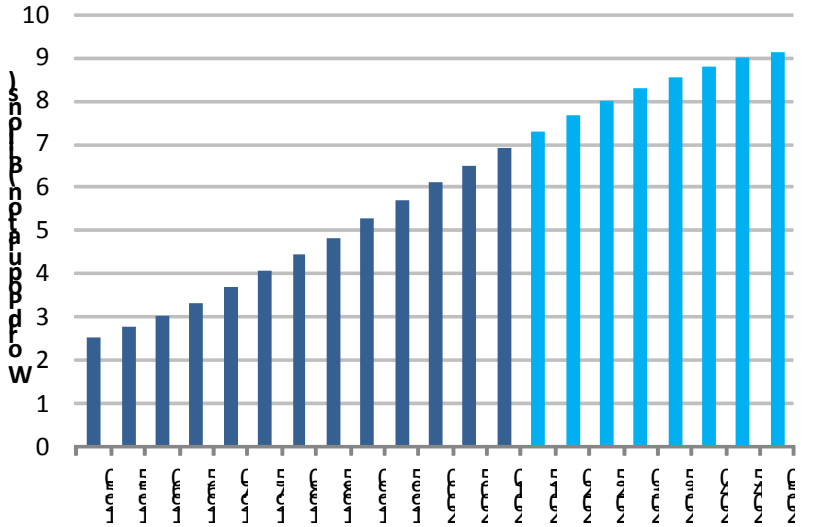
Food security is a global issue

Driven by three distinct factors

1. **Increasing global population**
2. **Increasing GDP per capita of developing regions driving increased protein consumption per capita**
3. **Constraints on food production**

Particularly Asia and Middle East

World population to continue growing



Source: United Nations, Population Division of the Department of Economic and Social Affairs.

SANFORD LIMITED
SUSTAINABLE SEAFOOD

HOW DO WE GET THERE

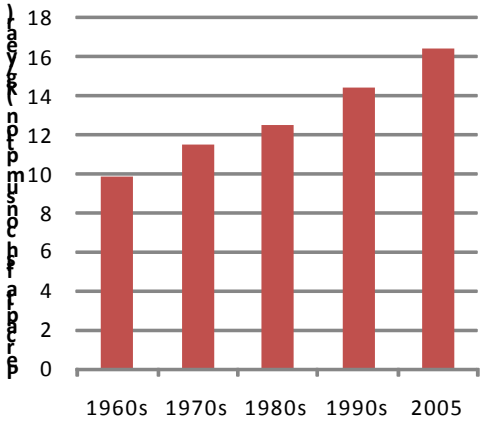
Increasing fish consumption per capita

Expanding middle class in emerging countries

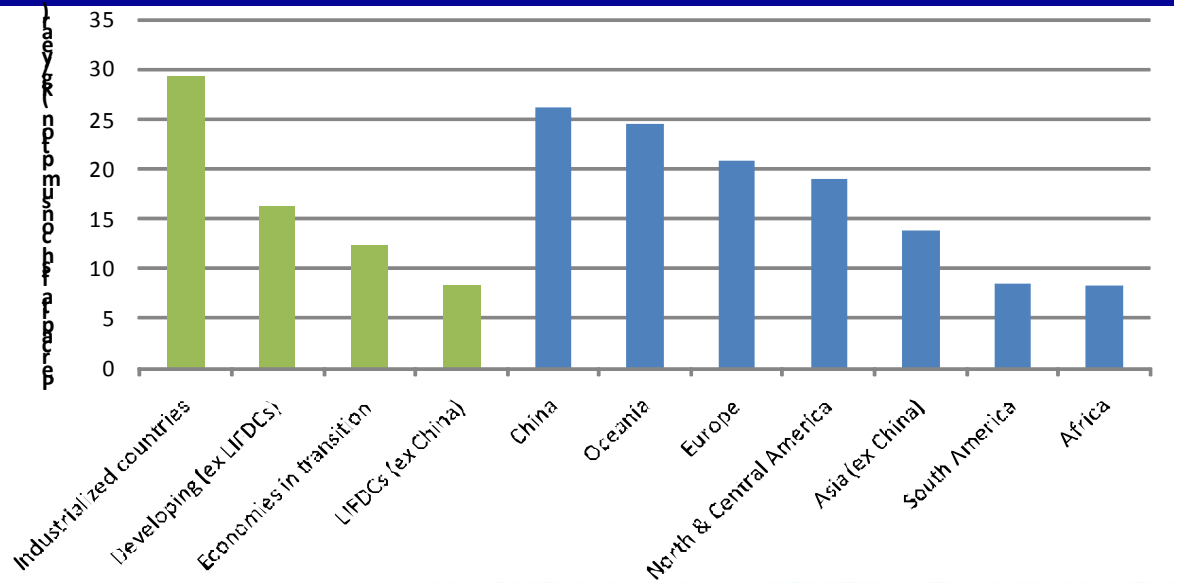
Rising incomes and diversification of diets in developing countries

Continued consumption growth expected from industrialised countries, but at slower pace

Historical global growth[1]



Per capita fish consumption by economic status & region[1]



1. Food and Agriculture Organisation of the United Nations, *The State of World Fisheries and Aquaculture 2008.*

Note, "LIFDC" stands for Low Income Food Deficit Country

SANFORD LIMITED
SUSTAINABLE SEAFOOD

HOW DO WE GET THERE

Fish is a great source of protein

Global consumption of protein is increasing

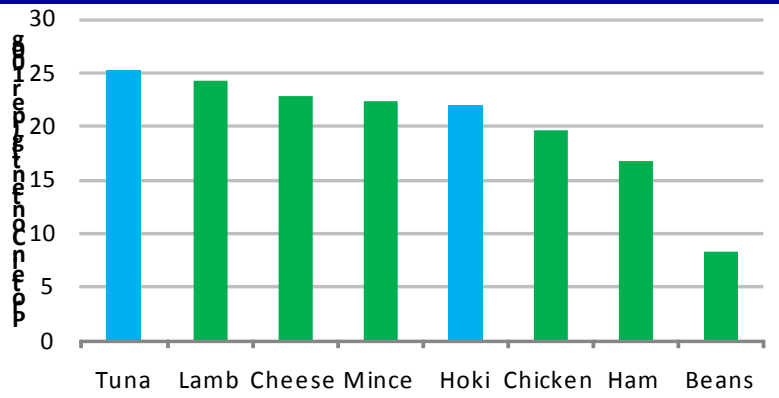
- **Population growth, rising incomes, increasing urbanisation**

Fish is high in protein

- **100g serving of fish provides ~30%[1] of an adult's daily protein needs**
- **100g serving of Greenshell™ mussels provides 25%[2] of an adult's daily protein needs**
- **150g serving of King Salmon provides 70%[2] of an adult's daily protein needs**

"If we replaced the protein we got from fish with land based agriculture, we'd need extra grazing land equal to the entire world's rainforest 22 times over, says eminent fisheries scientist Professor Ray Hilborn."[3]

Protein Content per 100g[1]



Source:
1.The New Zealand Seafood Industry Council.
2.Aquaculture NZ, "New Zealand Aquaculture Farm Facts", June 2009.
3.http://www.prlog.org/10574686-replacing-global-fish-supply-would-cost-22-times-the-worlds-rainforests-scientist.html

SANFORD LIMITED
SUSTAINABLE SEAFOOD

HOW DO WE GET THERE

Fish is healthy and nutritious

Consumer preferences increasingly influenced by health and nutrition

The vitamins, minerals, & Omega-3 fatty acids found in seafood have significant benefits

- **Studies show that seafood has benefits for: brain, heart, joints, lungs, muscles, digestion and skin[1]**
- **The Heart Foundation recommends those at risk of cardio-vascular disease should eat two fish meals a week[1]**
- **Norwegian research has found Omega-3 absorption from eating fish is higher than from taking supplements[2]**
  - **King Salmon is one of the best known sources of Omega-3**
- **Low in carbohydrates and saturated fats**

Fish does not have the animal health and welfare concerns associated with other meat protein sources

Source:
1.The New Zealand Seafood Industry Council.
2.Norwegian College of Fishery Science, Department of Marine Biotechnology, University of Tromsø, Norway *("Enhanced incorporation of n-3 fatty acids from fish compared with fish oils", 2006)*.

SANFORD LIMITED
SUSTAINABLE SEAFOOD

HOW DO WE GET THERE

From sea to food

- Integrated food supply chains enable Sanford to capture more margin, and also provide customers with traceability to the ocean. Consumption in industrialised markets increasingly driven by quality assurances such as traceability, processing controls and packaging requirements
- Focus has been on moving seafood into the higher end food service channels
- Only engaging in the retail market for products that sell themselves without the need for expensive branding, promotion, slotting fees etc
- Long term approach making headway – some species appearing on menus:

  King Salmon, Scampi and Toothfish on restaurant chain menus in the US

  Sustainable Hoki in Europe but as block material for retail




SANFORD LIMITED
SUSTAINABLE SEAFOOD

HOW DO WE GET THERE

Sanford offers an exposure to:

- **A sustainable New Zealand industry dedicated to international best practice and committed to delivering shareholder value.**
- **A favourable long term outlook for seafood.**
- **Aquaculture in New Zealand and opportunity for continued growth.**
- **An opportunity to capture full value through an integrated supply chain to the customer**




SANFORD LIMITED
SUSTAINABLE SEAFOOD