

Investor Presentation

Annual Result to 30 Sep 2013

November 2013

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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 March 2013 half year 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.



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2013 Annual Result - Summary

- 2013 profit was up 4% on 2012
 - Revenue increased by 1% on last year
 - EBITDA down 5% to \$47.4m
- A number of sectors failed to perform to expectations in the second half of the year:
 - Slow growth of Greenshell mussels in Marlborough Sounds
 - Difficult tuna catching conditions in the Pacific
 - Lower-than-expected jack mackerel catches in Tauranga
- Impairment charges of \$4.2m - mainly Australian business
- Challenging exchange rate conditions persist
- Dividend maintained at 23 cents per share and fully imputed

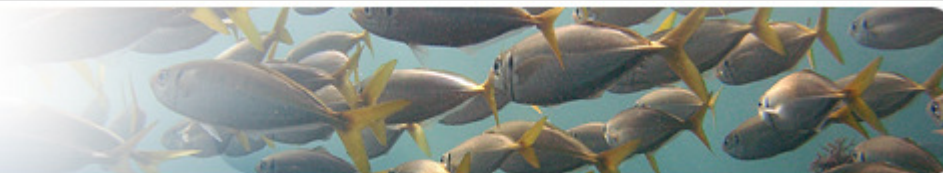


Final Result 2013

NZ\$'000	12 months to 30 Sep 2013	6 months to 30 Sep 2013	6 months to 31 Mar 2013	12 months to 30 Sep 2012
Sales revenue	462,644	218,069	244,575	459,957
EBITDA	47,357	19,929	27,440	50,012
Depreciation, amortisation & impairment	(20,527)	(11,341)	(9,187)	(18,320)
Net interest	(8,171)	(3,886)	(4,285)	(10,196)
Net currency gains	10,349	4,486	5,852	7,385
Net gain / (loss) on sale of investments, PP&E	152	(77)	229	(150)
Operating surplus before tax	29,160	9,111	20,049	28,731
Tax	(8,760)	(2,776)	(5,984)	(9,074)
Operating surplus after tax	20,400	6,335	14,065	19,657
Minority interests	(39)	(4)	(35)	(42)
Net surplus attributable to shareholders	20,361	6,331	14,030	19,615

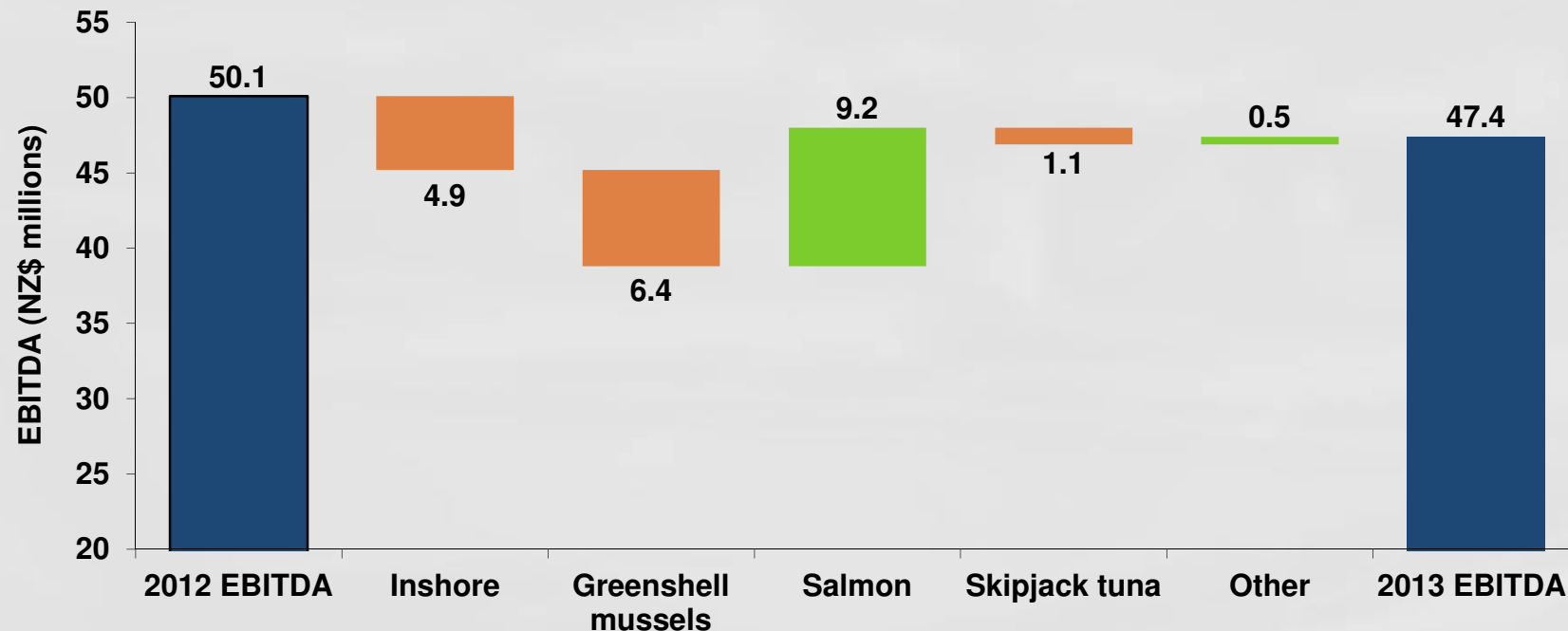


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2012 to 2013 EBITDA Bridge

- Inshore - \$4.9m decrease, jack mackerel volumes
- Greenshell mussels - \$6.4m decrease, Marlborough effect
- Salmon - \$9.2m increase, inventory reduction and price
- Skipjack tuna - \$1.1m decrease, volume and price



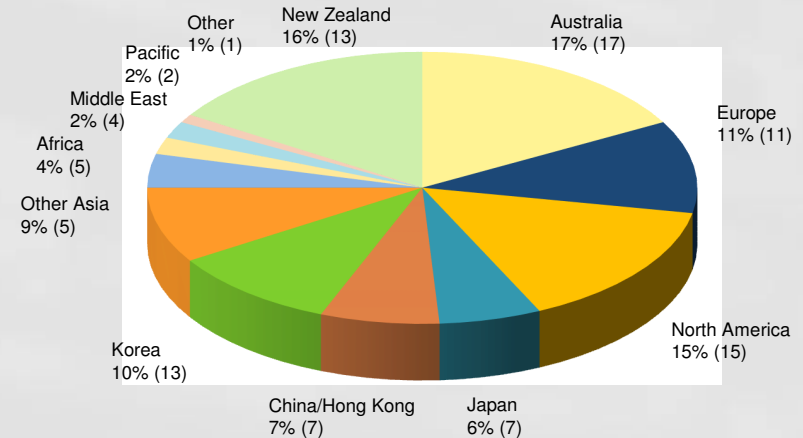
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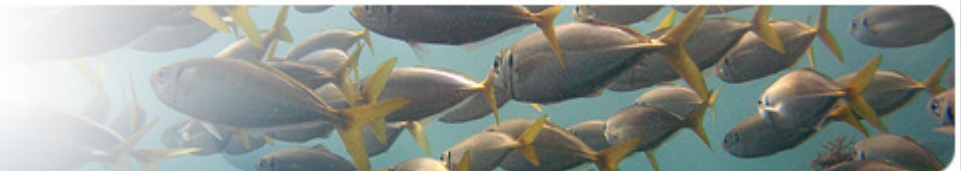
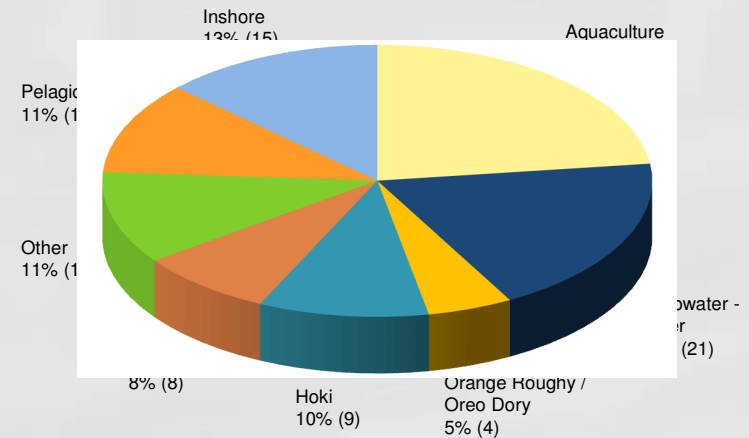
Revenue

- 2013 revenue of \$463m up 1% from \$460m in 2012
 - Revenue down 5.0% in the second six months of the year
 - High NZD remained a challenge
- Sales into Asia continue to grow
 - 32.5% of sales in 2013 vs 31.0% in 2012
 - Growth has offset weakness in North America and the Middle East
- 19.5% sales growth in New Zealand
- Good results for Coromandel and Stewart Island mussels offset below budget fishing results

Sales by Customer Location 2013 (2012)



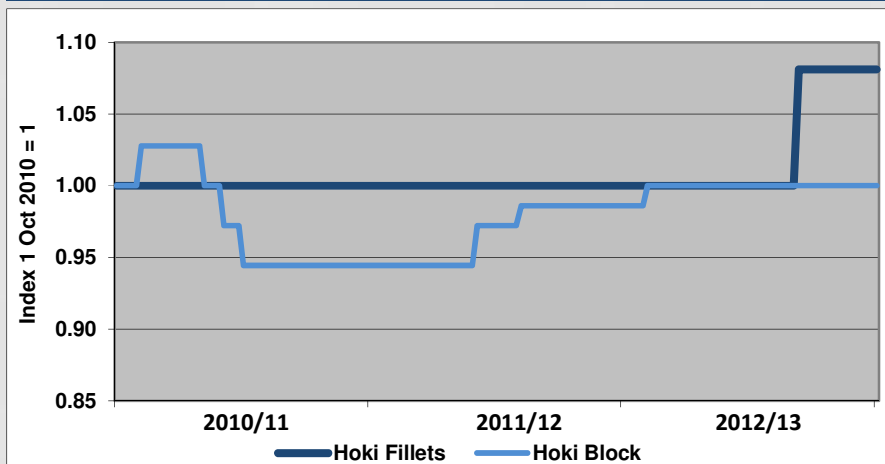
Species Split 2013 (2012)



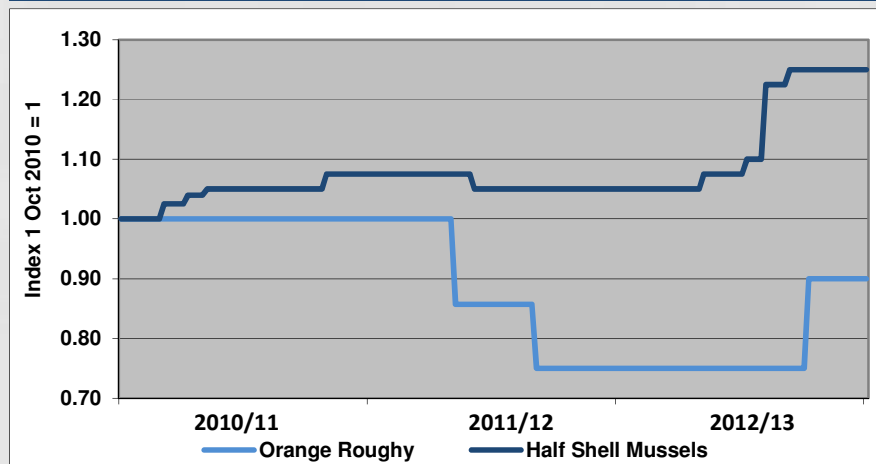
Market Prices

- Hoki Fillet prices remained stable for most of the year, with an 8% rise in the second half
- Hoki Block prices were stable throughout the year
- Orange Roughy prices partially reversed previous declines, increasing by 15% in the latter half of the year
- Half Shell Mussel prices remained relatively stable in the first half with a 15% lift in the second half of the year

Hoki Fillet & Hoki Block



Orange Roughy & Half Shell Mussels



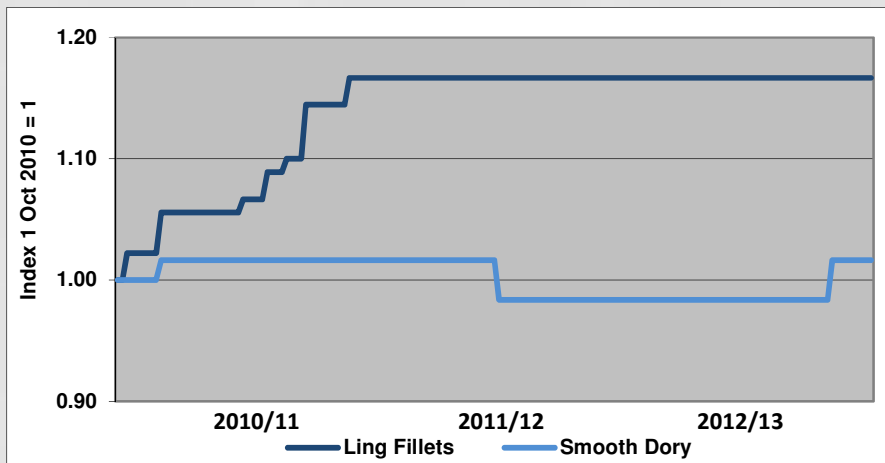
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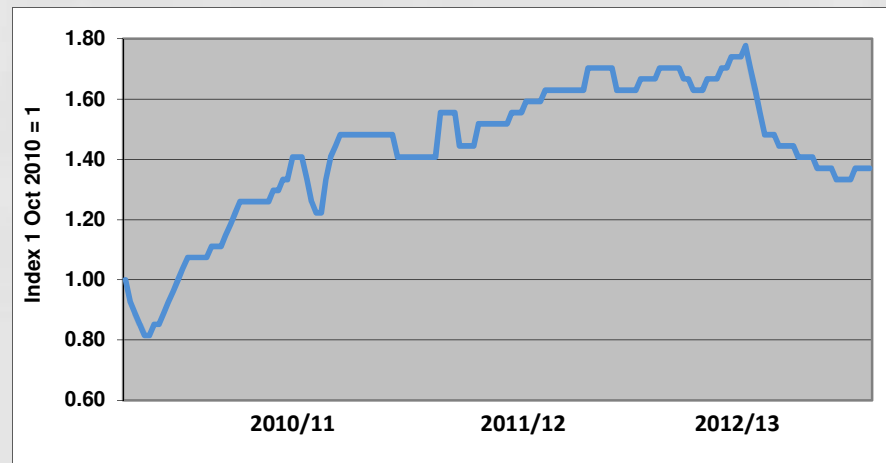
Market Prices (Cont.)

- Ling Fillet prices remained stable throughout the period
- Smooth Dory Fillet prices were stable for the year, increasing slightly in the second half
- Skipjack Tuna prices dropped approximately 40% from record highs set in late 2012

Ling & Smooth Dory Fillets



Skipjack Tuna



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Quota Changes 2013/14

Fishing Year	Species	Stock	2013/14 TACC (tonnes)	Percentage Change from 2012/2013	Effect on Sanford 2013/14 Catch Entitlement (tonnes)	Sanford Quota Ownership % of TACC
October 2013 - September 2014	Hoki	HOK1	150,000	15%	3,076.0	15%
	Kingfish	KIN7	15	114%	0.1	1%
	Leatherjacket	LEA3	130	30%	0.9	3%
	Ling	LIN5	3,955	10%	102.6	29%
	Ling	LIN7	3,080	24%	113.9	19%
	Orange roughy	ORH3B	4,500	25%	313.2	35%
	Scampi	SCI2	133	33%	18.2	55%
	Sea perch	SPE1	53	61%	1.8	9%



NZ Segment Performance – Inshore / Deepwater

- Year for inshore segment started well, but last six months were challenging with results below expectations
 - Strong demand and pricing for pelagic species
 - Poor catches for jack and blue mackerel in last half of year
 - Local market sales remain strong and ahead of expectations
 - Fire in Timaru coldstore impacted timing of sales and expenses
- Results from deepwater operations were up to expectations despite many challenges in the year
 - Main New Zealand fish stocks continued to be productive
 - Key fish stocks remain in good health and a number of TACC increases
 - Significant effort into improving vessel health and safety systems
- A number of key species are being put through MSC certification

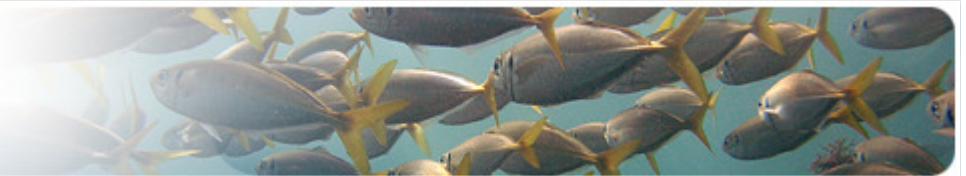


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NZ Segment Performance – Aquaculture

- Improved performance delivered, but still below expectations
- Positive market signs for Greenshell mussels and Salmon over next two or three years
- Poor growing conditions in Marlborough Sounds impacted volumes industry wide
- Mussel farming in Coromandel, Golden/Tasman Bay, Banks Peninsula and Stewart Island performed up to or above expectations
- Restructured mussel business in the Coromandel into a 50/50 JV with Sealord called North Island Mussels Limited (NIML)
 - Commenced 1 October 2012
 - Synergies progressing well
- Salmon operations continue to focus on growing business to provide year-round fresh-chilled supply
 - Investment in filleting machine to improve yields, productivity and capacity



NZ Segment Performance – Pacific Tuna

- Disappointing result from Pacific Tuna operation mirrored previous year
 - Record prices not sufficient to offset lack of catch
- Fisheries closures continued to impact fishing opportunities
- Lack of vessel fishing time as major upgrades and improvements made:
 - San Nikunau – resumed normal operations
 - Sizeable capital upgrade on San Nanumea – out of service for seven months
 - Work undertaken on fleet should position vessels to operate reliably and maximise fishing opportunities



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Other Operations

- Australian Seafood – Another challenging year, but signs that changes made to business model are leading to improved outcomes
- Returns from Weihai Dong Won Food Company Ltd (50% share) continue to improve
- Pure NZ Greenshell Mussels – slow growth in Marlborough Sounds meant record volume of orders generated could not be filled
- Progress on two key profit improvement projects:
 - Precision Seafood Harvesting – excellent progress made, and attracting national and international interest in new technology
 - SPATnz – \$26m joint investment between Sanford, Cawthron Institute and Plant & Food Research to develop breeding facility for spat, delivering improved growth and production characteristics. Excellent progress made with first spat for commercial use expected in 2015



Sustainable Development

- “Sustainable Seafood” has been Sanford’s promise to our customers since 1998. Those words remain at the heart of our business – from sea to food – over 100 years of sustained growth
- Sustainable Development Report has been produced annually over the past 14 years
- This year’s report includes details of the Precision Seafood Harvesting technology – the most important step towards more sustainable wild fish harvesting in 150 years
 - Investment of \$26 million by Sanford, Aotearoa Fisheries and Sealord in partnership with the New Zealand Government
- Innovative mussel selective spat breeding programme (SPATnz) aims to reduce reliance on wild-caught mussel spat to populate our mussel farms



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