

Investor Presentation

Annual Result to 30 Sep 2011

November 2011

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SANFORD LIMITED
SUSTAINABLE SEAFOOD



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 2010 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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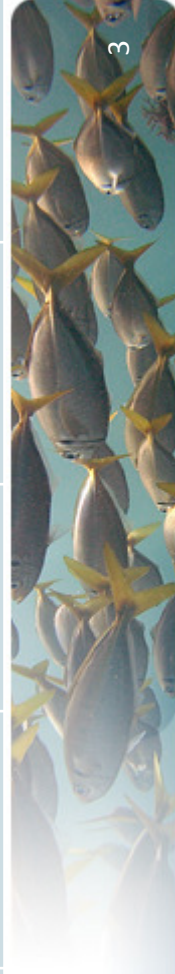


Final result 2011

	NZ\$'000			
	12 months to 30 Sep 2011	6 months to 31 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 & impairment	(16,255)	(8,739)	(7,516)	(13,574)
Net interest	(10,607)	(5,962)	(4,645)	(5,780)
Net currency gains/(losses)	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
Minority interests	(24)	(2)	(22)	(21)
Net surplus attributable to shareholders	22,286	9,191	13,095	25,004



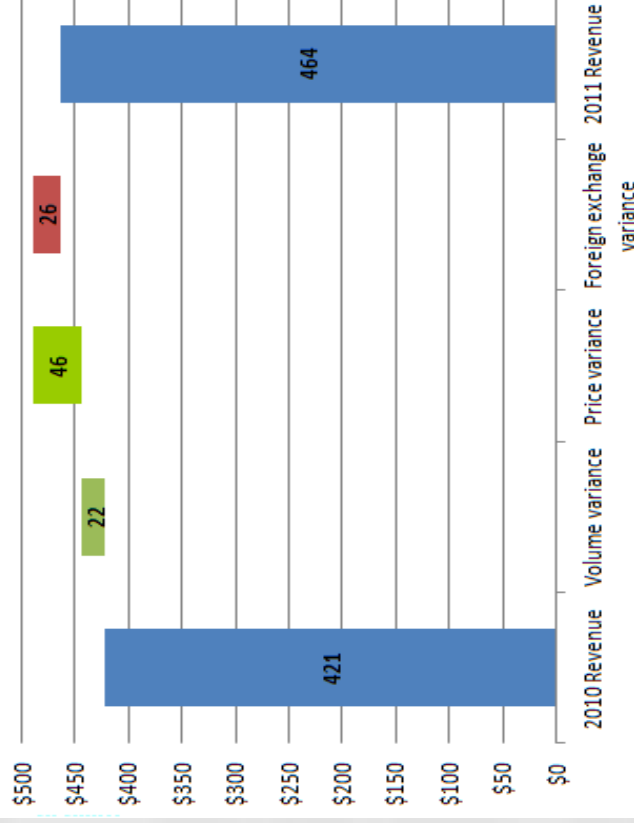
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Revenue impacted by prices & fx

- 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 NZ less producers compete for market share
- 6% decrease due to higher NZD

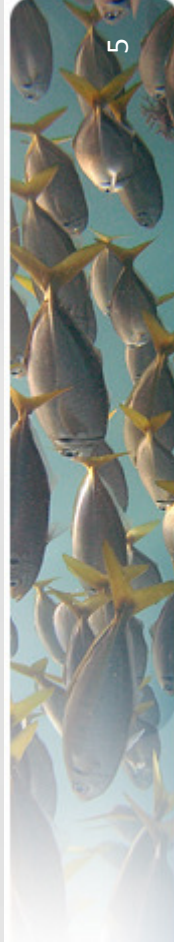
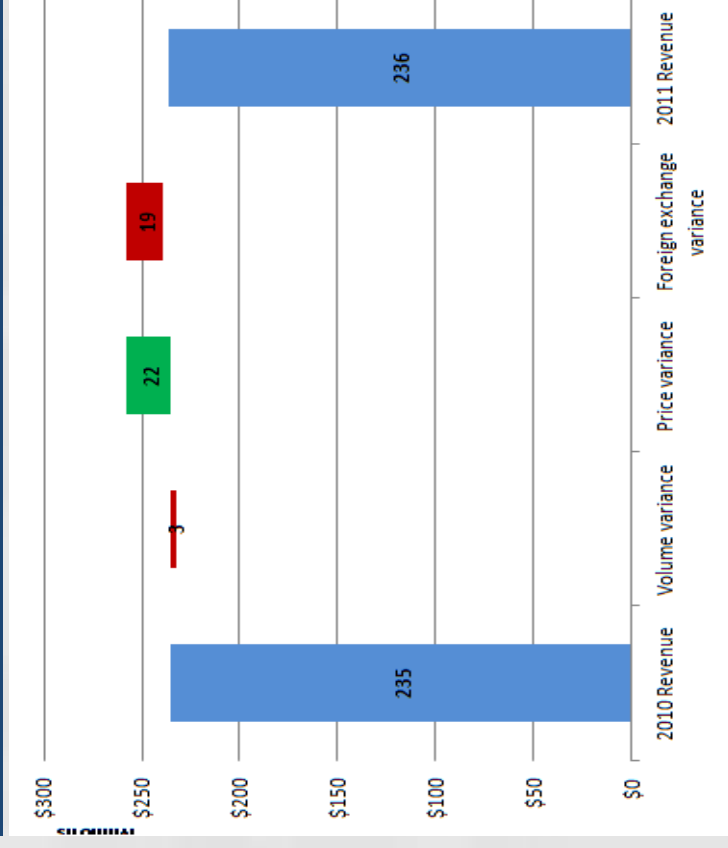
Revenue bridge from FY10 to FY11



Second half revenue impact of Exchange Rates

- 2011 2nd half revenue flat and volume.
- Almost all of price increase (\$22m – 9.4%) gone in foreign exchange variance (\$19m – 8%) due to the higher average exchange rate.
- Significant impact on the second half \$19m of the annual \$26m
- Overall difference between first and second half about NZ\$0.06

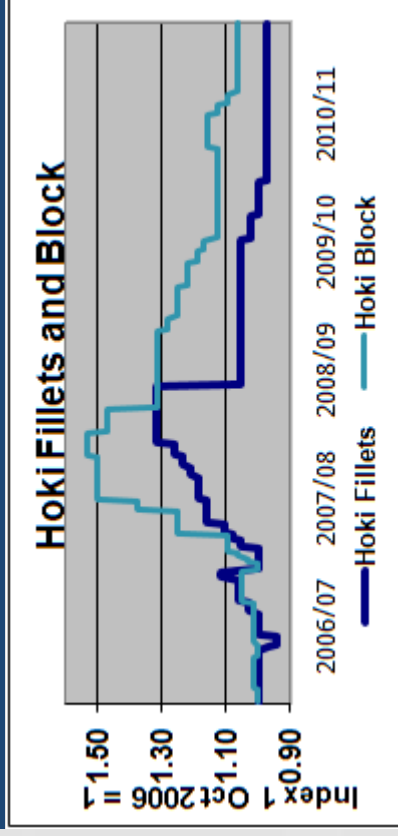
Revenue bridge second half from FY10 to FY11



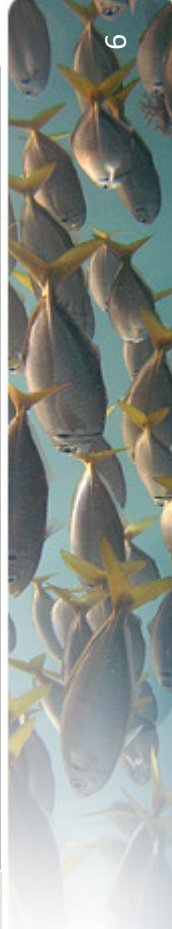
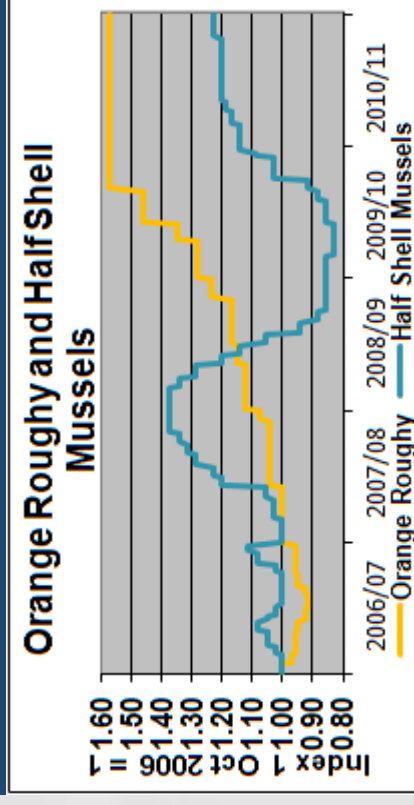
Impact of market prices – 5 years

- Hoki Fillet prices have been stable in 2010/11 period
- Hoki Block prices rose first part of year then settled at a lower level (increased Alaskan Pollock quota)
- Prices for Orange Roughy have firmed over the last 5 years and remain at stable levels
- Prices for Half Shell varied up until 2010 and have found stability at a more favourable level

Hoki Fillet & Hoki Block



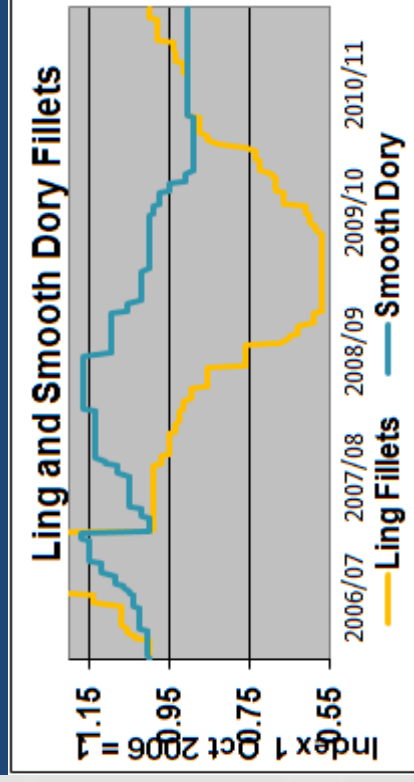
Orange Roughy & Half Shell Mussels



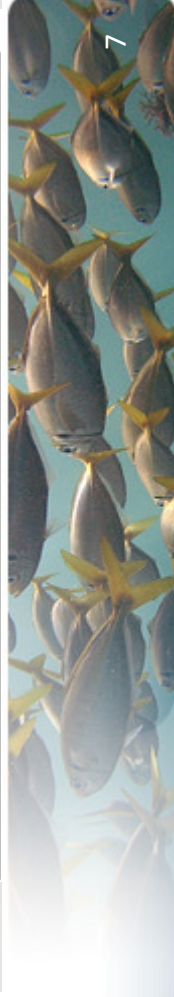
Impact of market prices – 5 years

- Markets in Southern Europe and the Hong Kong for Ling have increased steadily over the year
- Smooth Dory Fillet prices were stable over the period
- Skipjack Tuna prices generally increased over the year although dipped for a short period before recovering to higher levels

Ling & Smooth Dory Fillets



Skipjack Tuna



NZ Segment performance – Aquaculture

- Aquaculture results improved significantly in the second half.
- Pacifica acquisition revenue and profitability in line with expectations and will improve further as synergy costs all absorbed this year
- Successful introduction of retail packs of mussels and volume sales into American and Asian markets
- Mussel market stability achieved at improved price levels and volume and margin gains in retail products
- Production volumes through Havelock lower than expected as Automated mussel opening plant upgrade at Havelock took longer than expected.
- Improved returns from salmon through market diversification and stronger prices through to June. Since June market prices internationally declined and profitability outlook more challenging.
- Improved results from oysters through strong market prices but production outlook poor from virus decimating young oysters.



NZ Segment performance – Inshore / Deepwater

- Fishing results generally in line with expectations.
- Improved prices for pelagic species but mostly offset by exchange rates
- Increased activity for the Fish Market, Seafood School and Big Picture from opening of Wynyard Quarter and Rugby World Cup
- Deepwater results not as strong in the second half
- Full benefits of South Georgia Toothfish catches carried forward to 2012
- Reduced contribution as orange roughy quotas reduced
- First full year of Iwi Collective Partnership successful



NZ Segment performance – Pacific Tuna Vessels

- Catches were running well up on previous year but disappointing final quarter
- Improved pricing levels offset by higher fuel costs
- Increased repairs and maintenance as some major breakdowns and the effect of surveys bought forward
- US Coastguard investigation into bilge water discharge records has held one vessel in port of Pago Pago
- Another vessel delayed for a lesser period by legal claims in respect to historical crew injury claims.



Other changes over the period

- Inventory levels held steady and limited capital expenditure enabled \$25m debt reduction
- Fuel \$6.5m and Vessel Repair cost impacts across the business other operating costs contained within expectations



Outlook for the coming year

- Exchange Rate ? 1 cent change = \$2m EBITDA
- Around 65% of net export receipts covered for next year
- Fuel price has eased since end of year but will remain a challenge
- Positive start to pelagic catches with strong blue and jack mackerel catches in Tauranga
- Major species market outlook stable for major species such as hoki Greenshell mussels, ling, toothfish and skipjack tuna
- Markets in China, Eastern Europe and Middle East look encouraging for the coming year

