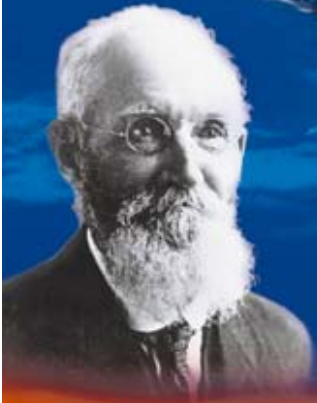
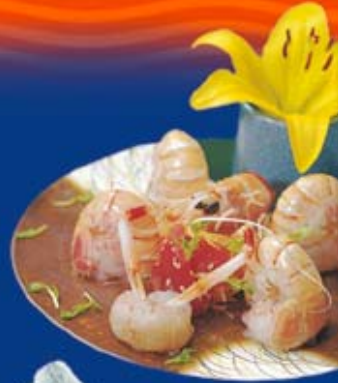


SANFORD LIMITED
SUSTAINABLE SEAFOOD



Interim Report 2002/2003



From sea to food - over 100 years of sustained growth

Interim Report to Shareholders

Directors' Report

1881 Family Growth
1904 Business Growth
1924 Catch Growth
1984 Acquisition Growth
Aquaculture Growth
1994 Sustainable Growth
International Growth
2004

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Cover image (left to right): Albert Sanford - founder, hoki freezer vessel, mussel processing, scampi.

Report To Shareholders

The Directors of Sanford Limited are pleased to report an unaudited net profit of \$23.8m for the seven month period ended 31 March 2003. For the six month period the previous year, the result was a surplus of \$11.8m. Turnover for the period was \$210m compared to \$183m last year – an increase proportionate to the extra month of trading.

The Directors have increased the interim dividend from 8 cents per share to 9 cents per share which is being paid to Sanford shareholders today. Full imputation credits will be attached to this dividend.

EBITDA, or operating earnings, decreased from \$39.3m last year to \$31.8m for this year.

Foreign exchange gains of \$14.0m for the period offset the lower returns from export sales due to the higher New Zealand dollar. For the same period last year foreign exchange losses of \$11.5m were reported. The taxation charge increased from \$5.9m to \$13.0m.

A number of factors affected profit during the first seven months of the financial year, including:

- **Changes in the volume mix of species as stock levels reduced**

Increased sales volumes of hoki, greenshell mussels, salmon and skipjack tuna were offset by lower sales volumes of orange roughy, smooth dory and snapper.

- **The higher value of the New Zealand dollar reduced the net sales returns**

Net New Zealand dollar returns declined for species such as hoki, ling, snapper, and salmon where market prices were stable or able to be increased slightly.

Prices in overseas markets reduced for some species such as greenshell mussels and skipjack tuna thereby significantly reducing net returns.

Price increases for some species such as orange roughy were sufficient to offset the effects of the increased value of the New Zealand dollar.

- **Catch and aquaculture production ahead of last year**

Catches in New Zealand and from our international vessels were ahead of last year for most operations although hoki catch was lower than expectations.

Skipjack tuna catches in the Pacific area were well ahead of last year although catches more recently have been very slow.

Hoki catches in Argentina were up to expectations and ahead of last year.

Directors' Report continued

The San Aotea II completed another successful year in the Ross Sea targeting Antarctic toothfish and for the first time has successfully commenced fishing under licence for toothfish in the South Georgia area of the South Atlantic.

Greenshell mussel production is well ahead of last year although the profitability of mussel operations have been impacted by increased competition reducing prices in the market place and the high New Zealand dollar.

- **Markets have been impacted**

Over the period leading up to and during the Iraq war the food service market in America suffered trade declines for three months in succession. This is the first time for many years that the United States restaurant trade has declined to this extent. This has the effect of placing price pressure on all species as international seafood producers compete for a lower level of business.

SARS has severely impacted the restaurant and catering trade in Hong Kong, China and Taiwan. This is affecting trade in species such as ling, squid and mussels in these markets. Although alternative markets can usually be found there are either increased costs incurred or result in lower net returns.

- **Fuel price increases impact vessel operations**

Fuel prices increased during the period and with no fuel hedge in place the full impact of fuel price increases reduced returns from vessel operations during this period. Prices have eased somewhat since the end of the period.

Foreign Exchange Gains

The benefits of continuing with our foreign currency hedging programme are accruing significant gains to shareholders this year. Foreign exchange gains of \$14.0m were earned in the first seven months of the year compared to a loss of \$11.5m last year. Based on current exchange rates this profitability should continue in the second six months of this year along with a further potential book gain of \$70m over the following three years.

Forward exchange cover is currently being taken based on 70% of estimated net receipts for two years ahead but no cover is currently being taken for three years ahead. Current volatility in the exchange rates is focused on a weaker US dollar, having the effect of increasing the value of most other currencies.

Trading and Marketing Overview

North America

After strong trading to the United States and Canada early in the financial year the foodservice and restaurant market weakened considerably prior to and during the conflict in Iraq in the latter part of the period. The orange roughy market strengthened on lower supply from non New Zealand sources, the hoki fillet market remained relatively stable, while the greenshell mussel price declined as volumes increased from New Zealand, Chile and China increasing competition for market share.

Europe

Hoki fillet block volumes sold to customers in Europe remained stable although one major user of New Zealand hoki has reported publicly as intending to reduce its volume usage because of quality issues with product sourced from suppliers in New Zealand. Sanford is working through these issues directly with the customer and in conjunction with other New Zealand producers. The possible certification of the Alaskan Pollock fishery to Marine Stewardship Certification standards will be positive in increasing the focus on sustainable fishing but is expected to place market pressure on some of the more recent gains made by hoki from New Zealand.

New Zealand squid is finding increasing acceptance in markets such as Greece and Italy. Substantial quantities of squid will be shipped into these markets in the second half of the year. Smooth dory is gaining in popularity in France, Germany, Italy and Switzerland while hake continues to be popular in Spain and Portugal. Greenshell mussels are sold throughout Europe but prices declined over the period.

Asia

Japan continues to be our most important market in Asia for species such as snapper, salmon, mussels and large tunas. This market was relatively stable during the period with some recovery of demand for salmon.

The recent SARS outbreak in Hong Kong, China and Taiwan has decimated those markets. Catering for the popular banquet restaurants ceased almost totally during the SARS crisis with supermarkets also "feeling the pinch" as consumers preferred to shop in local and small convenience stores to avoid crowds and congestion. The most prominent species affected by this phenomenon was ling fillets popularly used as a white fish in Chinese seafood dishes. While some of this product can be moved in dressed form to Spain the fillet market is expected to recover as the SARS issue declines.

Directors' Report continued

Australia

Hoki is one of the main seafood items sold into Australia but Australia is also an important market for many other species. Our pacific oysters are eagerly sought after during our winter when they reach their perfect condition and orders flow in ahead of production.

A side effect of the SARS issue has been a decline in demand for pelagic fish used for crayfish bait in South and West Australia. The prices for crayfish have been deflated by the lack of demand from the weak Asian markets (where live and fresh crayfish are normally sought after by high end restaurants) and as a consequence fishermen have lacked incentives to catch their quotas for comparatively low returns.

Other Markets

Skipjack tuna, caught by our Tauranga based fleet, was sold into Iran during the period continuing our regular supply of seafood to that market. Trevally remains a popular species sold regularly into Saudi Arabia.

Further shipments of jack mackerel have been made to new markets in West Africa after initial shipments were well received.

Inshore Operations

Auckland

Early season catches of snapper by both longline and trawl vessels enabled us to ship increased quantities of frozen snapper into Japan earlier this year than previous years but sales slowed later in the period and are not expected to increase again until later in the year. Air freight shipments have continued on a regular basis throughout the autumn and winter period.

The new Auckland processing plant operated at higher volume levels than previous with increased operating efficiency, lower unit costs and improved product quality.

Longline and ice trawl vessels were operated more efficiently for the period although they will have less volume to catch in the second half of the year.

Increased quantities of albacore tuna purchased off private fishermen at ports in the North Island were then processed and frozen for export at the Auckland and Tauranga operations.

Tauranga

Good early season catches of blue mackerel went some way towards offsetting the poor skipjack tuna catches in the December to March period. This is the first year that blue mackerel has been part of the quota management system and as the total allowable catches have been set at lower levels than recent catch levels we caught all our quota entitlements early in the year. We had contended to government that past catch levels were sustainable but the quotas were finally set at lower levels.

Both Auckland and Tauranga plants reprocessed deepwater species at times when fresh fish was not available to process.

The Export Cold Storage operation at Mount Maunganui increased its customer base and storage effectiveness resulting in improved profitability over the previous year.

Nelson

The processing plant at Nelson ceased operations at the end of November 2002 and the property and plant not required for other Sanford operations has been offered for sale.

The Bullen Street cold storage operation while continuing to provide services to customers outside of Sanford, has also been offered for sale.

Timaru

Ice vessel catches in Timaru were below last year as one vessel, the San Tongariro, was converted to operate in the competitive scampi fishery. Early season catches of barracouta were lower than previous years but catches of red cod and squid later in the period were ahead.

The Timaru plant processed fresh fish supplemented by reprocessing of deepwater species to meet customer demand resulting in satisfactory returns for the period.

Revenue for the San Won cold storage operation increased over last year because of the expansion in capacity. However sufficient storage volumes to justify the increased capacity are expected to be achieved in the second half of the year.

The fishmeal plant continues to achieve satisfactory returns although capital will be required to upgrade and improve the quality of the waste and increase the recovery yield.

Directors' Report continued

Deepwater Operations

Hoki Freezer Vessels

The three hoki fillet freezer vessels operated satisfactorily throughout the period without the disruptions of surveys and breakdowns of the previous year. Hoki catch rates following the main spawn season were generally disappointing even though ahead of the last disrupted year. Although the initial outlook for the hoki market for the year was relatively positive with reasonable demand and prices for hoki fillets and block, there have since been some signs that the market is becoming more competitive with increased volumes of alaskan pollock affecting hoki markets. The quality issues in respect to hoki block are expected to be resolved over the next few months.

Each vessel again entered the squid fishery at the end of March to further enhance our participation in this fishery which is one of the few expansion opportunities within our quota limitations. We currently only utilise about a third of our squid quota entitlements with the main under-utilisation occurring in the jig fishery. It is encouraging that the Japan Marine Research organisation sent one squid jigger to operate in New Zealand on an experimental basis to study the jig squid fishery this year.

All three freezer vessels have now returned to target hoki for the remainder of the financial year which will improve their contribution.

Other Freezer Vessels

The San Waitaki has continued its regular programme targeting orange roughy and smooth dory that is landed dressed for later reprocessing into fillets in our inshore processing plants at Auckland, Tauranga, and Timaru. The vessel operates in different areas according to a pre-assigned catching programme and is on schedule to complete its quota allocations by the end of the fishing and financial year.

The San Tangaroa combined with the San Tongariro to target scampi in the early competitive fishery. Various government enquiries examine issues associated with the management of scampi. The allegations that have formed the basis of these enquiries have proved groundless and the losses and damage caused to the fishery by the race for fish from the beginning of October each year continue. The government has to initiate the quota system quickly in this fishery to restore a sustainable management regime.

In the meantime the San Tangaroa has been transferred to Australia where it will assist catching our quota package there and increase the supply base of our Australian operations.

Toothfish

The San Aotea II operated for one extended voyage in the Ross Sea this year as part of the co-operative venture SS Fishing. This resulted in us having a 50% interest in the operation of the San Aotea II and her New Zealand Longline Limited owned sister vessel Janas as well as a 33% interest in a newly New Zealand flagged and leased vessel the Avro Chieftain. The latter two vessels completed two voyages this year. Overall results were pleasing but, because of tougher ice conditions results were not as good as the previous year.

In May the San Aotea II commenced fishing toothfish in the South Georgia area of the South Atlantic and results in this fishery will flow through in the second half of the year. Despite the steaming distance from New Zealand catch rates are better than expected and justify the vessel deployment.

Charter Vessels

Despite operating one less charter vessel this year the three Korean and one Japanese vessel have performed satisfactorily despite squid catches being slightly less than expected. We continue to have strong and positive working relationships with our Charter partners and continue to explore ways and means of improving these operations for the benefit of both parties.

Aquaculture Operations

Pacific Oysters – Kaeo

Production in the first part of the year was well ahead of the previous year which flowed through into profitability. Improved production from our Kerikeri farms was an important contributor to the increased throughput. Winter production commenced in May and staff will be working hard to achieve targeted production levels when rainfall does not prevent harvest.

Greenshell Mussels – Coromandel

Production of greenshell mussels in Coromandel was at a similar level to the previous year but lower than expected, but with the decline in market prices and the high value of the New Zealand dollar normal levels of mussel farming and processing profitability are difficult to achieve. We expect an increase in production volumes in the second period as longlines in the new Wilsons Bay farming areas come on stream. This will enable double shift operations that will lift efficiency and allow some profit to flow back through to the farming operation.

Directors' Report continued

Greenshell Mussels – Havelock

Increased and improved management processes have seen production volumes lift dramatically at Havelock. These gains have been negated by the much lower market prices which when coupled with the high value of the New Zealand dollar has reduced mussel profitability. Unfortunately prices for mussels being paid to farmers (independent mussel farmers and our own farms) were decreased to reflect these market conditions. This does not help in an industry that is having to fight hard to protect challenges to its property and intellectual rights obtained over years of hard work. While the government has recently announced it will not tender existing farms when they come up for renewal it still has not laid out a robust and workable property rights regime that will allow the industry to develop. Farming, harvesting and reseeded operations continue as normal in Havelock.

Greenshell Mussels – Bluff

Mussels farming and processing returns were affected in the same way as Coromandel and Havelock despite farming and production volumes increasing by 50% over the period. The increased production volumes assisted lowering unit costs but were not sufficient to offset the effect of the lower prices and higher New Zealand dollar. During the period we were successful in obtaining additional farming space in Bluff harbour that will assist in providing future expansion opportunities.

King Salmon – Bluff

A slightly improved market coupled with a reduction in inventory levels (as we lowered production volumes) enabled an improved contribution from our salmon operations. The lower production levels have enabled us to consolidate our farms onto one site and provide more potential for rotational use of sites over a period of time. At the same time we have consolidated our hatchery operations onto the Kaitangata site near Balclutha enabling us to close the Waitaki hatchery. If current market conditions continue to improve we would expect a satisfactory return from our salmon operations this year.

International Fishing

Australia

The Melbourne based fresh and frozen fish distribution has had further improved profitability this year from a stable supply base and steady consumer demand coupled with increased management of trading margins. The deployment of the San Tangaroa to the Australian operation should further improve returns for the remainder of this financial year.

Pacific Tuna Vessels

The catch rates of the two Pacific tuna vessels, the San Nikunau and San Nanumea, were up to expectations in the first period of the year although the market for skipjack dropped to its lowest levels at the end of the period. Results for the second period are also expected to be difficult as catch rates over the past two months have been very poor. During the period we were able to increase our access to Pacific Island state zones which assists in ensuring we have continuing access to the main fishery resources as they migrate through the Pacific. Market prices have begun to improve but catch rates need to lift dramatically to achieve forecast earnings from these vessels.

Argentina

The hoki catching operation in Argentina is now just over twelve months old and, although there is much progress still to be made, we are comfortable with progress to date. There have been many lessons learnt from operating in the Argentine economy and environment and probably many more still to be learned. While the basic hoki products are similar to or the same as those we produce in New Zealand there are other challenges such as logistics that require special attention.

The support and patience of our partners in Argentina and Canada in bringing the operation to its current level has assisted us to maintain focus on the most important issues.

Overseas Investments

Fishery Products International Limited (FPI), Canada

Our investment in Fishery Products International Ltd (FPI) in Canada continues to produce enhanced trading opportunities for Sanford as well as potential to increase the value of the underlying investment. Significant investments are being made in the primary fishing business in Newfoundland that are expected to improve returns from that business. At the same time opportunities for enhancing the marketing and value added (MVA) business in the United States are under constant review. Dividends have increased from 18 cents per share to 20 cents per share over the past six months.

We continue to maintain a loan in Canadian dollars to hedge this investment.

High Liner Foods Incorporated

High Liner Foods Inc, in which we held a 9.4% interest, recently sold its fishing interests to concentrate its efforts as a food company. While it will continue to source seafood products as part of its overall food strategy, it can no longer be classified as a seafood company. During May 2003 we sold our investment in this company for a gain of NZ\$3.5m that will be included in the second period and annual result ending 30 September 2003.

Sanford continues to pursue alliances and partnerships with other leading seafood businesses to capitalise on the changes and opportunities evolving in North America and Europe.

Directors' Report continued

Other Developments

Auckland Fish Market Limited

While regulatory approvals for construction of the Auckland fish market have been held for some time the commencement of construction has been delayed while supply and shareholding arrangements with the market operations are finalised. Factors outside the control of a number of parties have delayed this process. It is expected that construction will commence in the second half of 2003.

Nelson Processing Plant and Storage Complex

The Nelson processing plant closed at the end of November 2002. Some staff affected by the closure moved to jobs at other Sanford plants with most other staff offered other employment opportunities in Nelson. Expressions of interest for the sale of the plant have been sought but no satisfactory offers have yet been received. The cold storage complex at Bullen Street has also been offered for sale but continued to function as a stand alone profitable business unit. We would expect to conclude a satisfactory sale of this operation before the end of the financial year.

Industry, Environmental and Social Issues

Aquaculture law reform has been a significant focus for the Company as the government wrestles with the present fragmented legal environment surrounding current marine farm property rights. The timetable for the removal of the two year moratorium on new marine farm applications is drawing to a close. Sanford has been pro-active in attempting to persuade the government to provide the present owners of marine farms with stronger property rights based on the extensive investment already carried out both on and off marine farms. Strong property rights will encourage further investment and development of aquaculture in New Zealand. Early and poorly thought out ideas to allow existing farms to be re-tendered or used by the Crown to settle Maori claims have now, thankfully, been discarded. Tendering has been suggested as the default mechanism for allocating space in new aquaculture management areas. However Sanford believes that without alternative mechanisms clearly spelt out the default mechanism will become the norm. Sanford suggests there needs to be recognition given in any tendering mechanism so that private investment can be incentivised to provide quality research information to ascertain suitable areas for aquaculture development.

Some local government authorities have taken a pro-active stance over developing and providing for new aquaculture management areas once the moratorium ends while others have preferred to see the shape of the new legislation first.

Further species are being progressively introduced into the Quota Management System and Sanford receives its share of quota based on its catch history. With Sanford's extensive and historical involvement in most New Zealand fisheries our current permit and quota entitlements become clearly specified in Individual Transferable Quota. Sanford continues to take a conservative approach to the setting of sustainable catch levels preferring to see cautionary catch levels set that in the long term result in higher catch rates and lower costs per unit of catch.

Sanford became the first signature to the newly developed Seafood Industry Charter and we will be reporting progress against this charter as part of our sustainable development reporting. The industry remains positive despite some of the negative and unfortunate publicity generated in recent times.

Sanford recently won the Institute of Chartered Accountants Sustainability Report award for our 2002 Annual Report.

Corporate Governance

Notice of a special meeting of shareholders is enclosed with this report. The change in the balance date to 30 September does not provide sufficient time for printing and distributing the annual report and give notice of an annual meeting prior to Christmas. Because the last annual meeting was held in December 2002 and the next annual meeting will be held in early February 2004 there will not be an annual meeting within the calendar year 2003. While this timetable conforms to Companies Act and New Zealand Stock Exchange regulations it does not meet the requirements of the Sanford Limited constitution. We are therefore required to hold a special meeting to amend the constitution to align the annual meeting requirements with the Companies Act and New Zealand Stock Exchange regulations and allow the next annual meeting to be held in February 2004. The special meeting will be short and formal where the only business will be to make this change to the constitution. The meeting will be held in the Sanford Limited Board Room at 9am on Wednesday 6 August 2003 and shareholders are encouraged to register their vote by proxy.

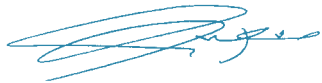
The financial results of the Company for the 13 month period to 30 September 2003 are expected to be announced to New Zealand Stock Exchange towards the end of November, the annual report will be distributed in December and the annual meeting will be held on Wednesday 4 February 2004 to coincide with the centenary of the legal formation of Sanford Limited.

Directors' Report continued

Outlook For The Second Six Months and Beyond

Results for the second six months will reflect continued benefits from our forward currency hedges although operating earnings are not expected to be as strong unless markets improve. We would expect improved results from our deepwater operations with seasonal increases in hoki catches and the benefits from increased access to toothfish. Returns from inshore operations will be steady and aquaculture profits will depend on market prices for greenshell mussels. International fishing results are expected to be difficult for the pacific tuna vessels with poor catch rates in April and May and markets at low levels. Our Australian business continues to operate well and some increased activity will result from the redeployment of a vessel from New Zealand to Australia. Argentina results should continue to improve.

Directors acknowledge the continuing dedication and commitment of all management, staff and fishermen to improving the business of Sanford for the benefit of all stakeholders.



W D Goodfellow
Chairman



E F Barratt
Managing Director

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

for the seven months ended 31 March 2003

	UNAUDITED Seven months ended 31 March 2003	UNAUDITED Six months ended 28 February 2002	AUDITED Year ended 31 August 2002
	\$000	\$000	\$000
Sales revenue	210,403	183,125	393,531
Dividend income	257	303	586
Equity accounted earnings of associates	38	57	96
Interest income	966	217	609
Profit (loss) on disposal of fixed and long term assets	(10)	68	154
Operating revenue	211,654	183,770	394,976
EBITDA *	31,800	39,319	83,727
Profit (loss) on disposal of fixed and long term assets	(10)	68	154
Depreciation	(8,956)	(8,774)	(18,016)
Net interest income (expense)	6	(1,434)	(2,285)
Net currency exchange gains (losses)	14,027	(11,474)	(6,760)
Operating surplus before taxation	36,867	17,705	56,820
Taxation	(13,032)	(5,862)	(20,276)
Operating surplus after taxation	23,835	11,843	36,544
Minority interests	(53)	-	491
Net surplus attributable to shareholders	23,782	11,843	37,035

* Earnings before interest, taxation, depreciation, net currency exchange gains (losses) and profit (loss) on disposal of fixed and long term assets.

CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY

for the seven months ended 31 March 2003

	UNAUDITED Seven months ended 31 March 2003	UNAUDITED Six months ended 28 February 2002	AUDITED Year ended 31 August 2002
	\$000	\$000	\$000
Total equity at beginning of period	421,798	404,317	404,317
Net surplus	23,782	11,843	37,035
Minority interests	53	-	(491)
Movement in foreign currency translation reserve	(1,044)	67	(167)
Total recognised revenues and expenses	22,791	11,910	36,377
Contributions from Minority interests	-	-	232
Dividends	(11,480)	(11,480)	(19,128)
Distributions to shareholders	(11,480)	(11,480)	(19,128)
Total equity at end of period	433,109	404,747	421,798

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT
OF FINANCIAL POSITION**

as at 31 March 2003

	UNAUDITED Seven months ended 31 March 2003	UNAUDITED Six months ended 28 February 2002	AUDITED Year ended 31 August 2002
	\$000	\$000	\$000
Equity			
Paid in capital	97,392	97,392	97,392
Reserves	335,993	307,355	324,665
Minority interests	(276)	-	(259)
Total equity	433,109	404,747	421,798
Non-current liabilities			
Bank loans (secured)	23,717	64,613	49,528
Deferred taxation	891	-	301
Total non-current liabilities	24,608	64,613	49,829
Current liabilities			
Bank overdraft and borrowings at call (secured)	3,207	21,000	1,142
Bank loans falling due within one year (secured)	11,183	-	-
Trade creditors	12,453	13,724	11,474
Other liabilities	13,169	8,021	11,873
Taxation	3,399	-	150
Total current liabilities	43,411	42,745	24,639
Total equity and liabilities	501,128	512,105	496,266
Non current assets			
Fixed and long term assets	359,260	368,479	365,690
Investments	33,033	40,571	36,320
Deferred taxation	-	663	-
Total non current assets	392,293	409,713	402,010
Current assets			
Cash on hand and at bank	36,159	1,289	13,290
Trade debtors	32,383	31,020	32,705
Other debtors and prepayments	5,605	10,479	7,328
Stocks	34,688	53,668	40,933
Taxation	-	5,936	-
Total current assets	108,835	102,392	94,256
Total assets	501,128	512,105	496,266

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT
OF CASH FLOWS**

for the seven months ended 31 March 2003

	UNAUDITED Seven months ended 31 March 2003	UNAUDITED Six months ended 28 February 2002	AUDITED Year ended 31 August 2002
	\$000	\$000	\$000
Cash flows from operating activities			
<i>Cash was provided from:</i>			
Receipts from customers	211,477	172,610	385,990
Interest received	965	225	471
Dividends received	371	301	596
	212,813	173,136	387,057
<i>Cash was applied to:</i>			
Payments to suppliers and employees	160,629	153,986	308,966
Income tax paid	7,862	8,014	15,430
Interest paid	1,030	1,759	2,789
	169,521	163,759	327,185
Net cash flow - operating activities	43,292	9,377	59,872
Cash flows from investing activities			
<i>Cash was provided from:</i>			
Disposal of fixed and long term assets	860	116	363
Sale of investments	124	165	247
Repayment of loans	1,603	-	2,318
	2,587	281	2,928
<i>Cash was applied to:</i>			
Purchase of fixed and long term assets	3,911	13,916	20,682
Purchase of investments	-	8,599	7,099
	3,911	22,515	27,781
Net cash flow - investing activities	(1,324)	(22,234)	(24,853)
Cash flows from financing activities			
<i>Cash was provided from:</i>			
Proceeds from borrowings	53	7,099	8,082
	53	7,099	8,082
<i>Cash was applied to:</i>			
Repayment of liabilities	9,554	1,904	11,240
Dividends paid	11,480	11,480	19,128
	21,034	13,384	30,368
Net cash flow - financing activities	(20,981)	(6,285)	(22,286)
Net cash flows for the period from all activities	20,987	(19,142)	12,733
Cash at beginning of period	12,148	(569)	(569)
Effects of exchange rate changes on cash	(183)	-	(16)
Cash at end of period	32,952	(19,711)	12,148
<i>Represented by:</i>			
Bank overdraft and borrowings at call	(3,207)	(21,000)	(1,142)
Cash on hand and at bank	36,159	1,289	13,290
	32,952	(19,711)	12,148

NOTES TO THE FINANCIAL STATEMENTS

for the seven months ended 31 March 2003

- The Financial Statements have been prepared in accordance with Financial Reporting Standard No. 24 (Interim Financial Statements) and should be read in conjunction with the previous annual report.
- In the previous full year the Group changed its policy of accounting for its investments in associates in accordance with FRS-38 *Accounting for investments in associates*. The implementation of the new accounting policy has not had a material impact on the consolidated financial statements in the current half year. The Group's share of the net surplus of associates is recognised as a component of operating revenue in the Statement of Financial Performance. Dividends received from associates are credited to the carrying amount of the investment in associates. Previously the Group's share of the net surplus of associates was recognised in the Statement of Financial Performance following the operating surplus after taxation. Dividends received from associates were recognised as a component of operating revenue in the Statement of Financial Performance. Comparatives have been restated to conform to the current half year's presentation. With the exception of the above change in accounting policy, all other accounting policies have been applied on bases consistent with those used in the previous half years.
- Reconciliation of Net surplus attributable to shareholders to Net cash flow - operating activities.

	UNAUDITED Seven months ended 31 March 2003	UNAUDITED Six months ended 28 February 2002	AUDITED Year ended 31 August 2002
	\$000	\$000	\$000
Net surplus attributable to shareholders	23,782	11,843	37,035
Non cash items			
Depreciation	8,956	8,774	18,016
Equity accounted (profit) in associated companies	(38)	(57)	(96)
Decrease in deferred taxation	584	1,143	2,143
Unrealised foreign exchange losses (gains)	(3,968)	2,226	(5,825)
	5,534	12,086	14,238
Adjustments for other items			
Net loss (profit) on disposal of fixed and long term assets	10	(68)	(154)
Net (profit) on disposal of investments	(3)	(53)	(55)
(Increase) decrease in debtors and prepayments	2,514	(9,606)	(6,764)
(Increase) decrease in stocks	6,108	(558)	12,177
Increase (decrease) in creditors and other liabilities	2,175	(946)	890
Increase (decrease) in provision for taxation	3,172	(3,321)	2,505
	13,976	(14,552)	8,599
Net cash flow – operating activities	43,292	9,377	59,872

Directory

Board of Directors

W D Goodfellow, OBE, Chairman
E F Barratt, Managing Director
D G Anderson
M P Bitossi, JP
B S Cole
N L Mills
J G Todd, CBE

Company Secretary

GL McNamara

Registered Office

22 Jellicoe Street
Freemans Bay
Auckland 1001
New Zealand

Postal Address

PO Box 443
Auckland 1015
New Zealand

Telephone +64 9 379 4720
Facsimile +64 9 309 1190

Website www.sanford.co.nz
Email info@sanford.co.nz

Stock Exchange

The Company's shares trade on the New Zealand Stock Exchange.

NZX Trading Code: SAN

The minimum marketable parcel on the Exchange is 50 shares (price \$5 to \$10 per share) or 100 shares (price \$2 to \$5 per share).

Share Registrar

Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
Takapuna, North Shore City
Private Bag 92 119, Auckland Mail Centre
Auckland 1020, New Zealand

Telephone +64 9 488 8777
Facsimile +64 9 488 8787

Enquiries

Shareholders with enquiries about transactions, change of address or dividend payments should contact Computershare Investor Services Limited.

Telephone +64 9 488 8777
Email enquiry@computershare.co.nz

Other queries should be directed to the Company Secretary at the Registered Office.



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SUSTAINABLE SEAFOOD

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