

Annual General Meeting of Aotearoa Fisheries Limited



Pipitea Marae, Wellington
30 January 2009

Agenda

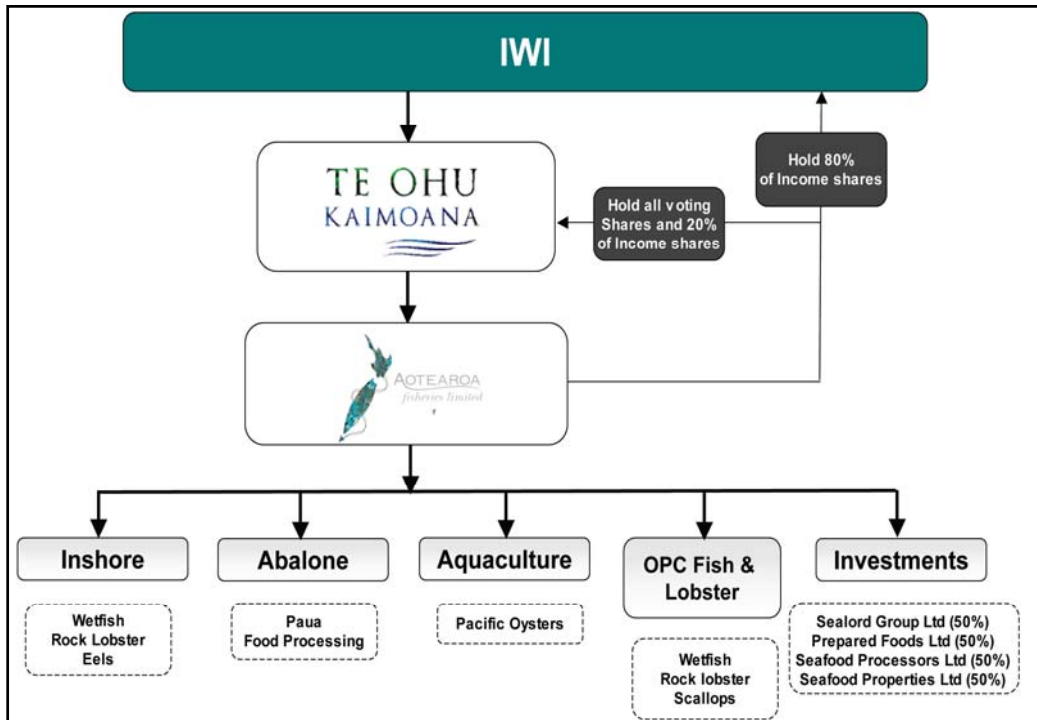


- Chairman's report
- CEO's report
- Independent Audit
- Questions and answers
- Shareholder Resolutions

Chairman's Report



- AFL structure
- Board of Directors
- AFL Management Team
- Financial results
- Industry issues
- Statutory audit



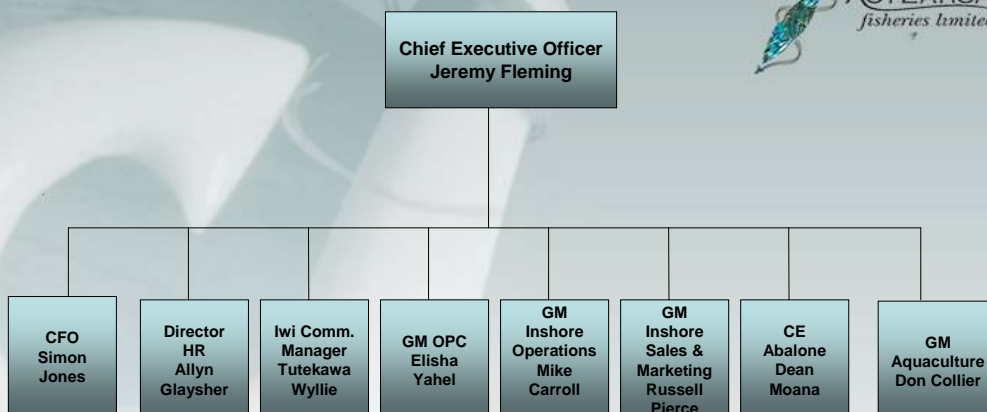
Chairman's Report – Board of Directors



No changes this year:

- Robin Hapi - Chairman
- Matanuku Mahuika - Deputy Chairman
- Fred Cookson
- Harry Mikaere
- Craig Norgate – Chairman, Remuneration Sub-committee
- Wayne Peters
- Keith Sutton – Chairman, Audit and Risk Sub-committee

CEO's Report - AFL Management Team



Chairman's Report – Financial Results



Satisfactory performance:

- Net Profit After Tax \$19.0m
- Investment during year of \$23.7m, primarily quota
- Shareholders funds increased to \$359.7m
- AFL is on track to pay dividends following the end of the 2009/10 year

Chairman's Report – Industry Issues



- Promotion of domestic seafood consumption
- Global recession
- Possible changes to SeaFIC
- Real progression on joint management of deepwater fisheries
- Inshore environment generates most of the issues
 - Marine reserves and protected areas
 - Shared fisheries
 - Mātaitai
 - Marine mammals
- Positive approach from MFish CEO Wayne McNee to working with industry

Chairman's Report – Statutory Audit



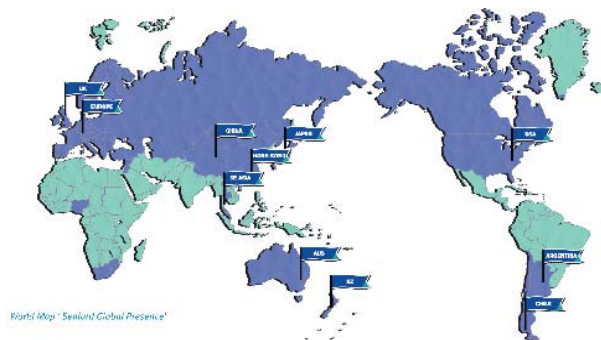
- Required under Section 105 of the Maori Fisheries Act
- The Auditors report has been circulated by Te Ohu Kaimoana
- The Independent Auditors found that AFL:
 - Has established realistic objectives and strategies
 - Has sound governance
 - Is working proactively with Iwi on commercial matters
 - Is delivering financial performance comparable to others in the sector

CEO's Report



- Sealord
- AFL operations
- Quota holdings
- Financial summary
- Outlook for 2008/09
- Independent audit

CEO's Report - Sealord Group



- 50/50 Joint venture with Nissui
- Own board - Robin Hapi Chairman
- Graham Stuart - CEO
- Operates globally
- Contributed \$12.1m to AFL earnings
- Investment of \$191.6m, 43% of AFL assets

CEO's Report - Sealord



- Sealord leads the industry in work place safety
- NZ fishing fleet capacity scaled to reduced hoki TACC
- Rapid increases in fuel and energy costs impacted profitability
- Marketing alliance with Kailis Brothers will strengthen Sealord in Australia
- Shift to mussel without shell production at Nelson will strengthen Sealord Aquaculture
- International fishing operations boosted with the purchase of the Antarctic Chieftain
- Sealord's international marketing network continued to grow in North America, Europe, and Asia

CEO's Report - AFL Operations



- Contributed \$11.7m, excluding capital gains and interest income, compared to \$8.8m last year
- All divisions met or exceeded budget targets
- 25% reduction in lost time injuries
- Head Office relocated to Auckland
- Fuel costs, poor bluenose and flounder catch impacted result
- Further acquisition of inshore quota
- TACC reduction forced exit from eel operations
- Ocean Ranch acquisition completed 1 October 2008
- Aquaculture Division second largest oyster producer
- Completion of Kia Ora Seafoods factory upgrade

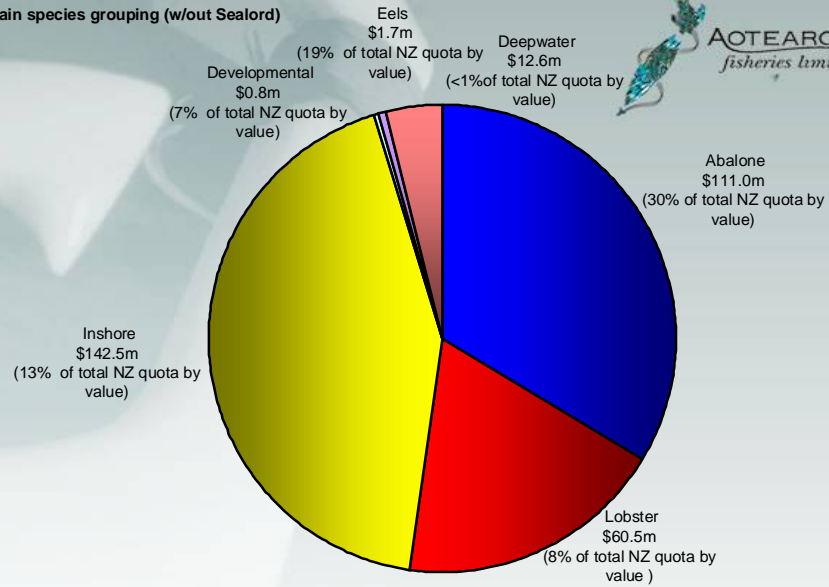
CEO's Report – Quota Holdings

AFL has continued to acquire quota



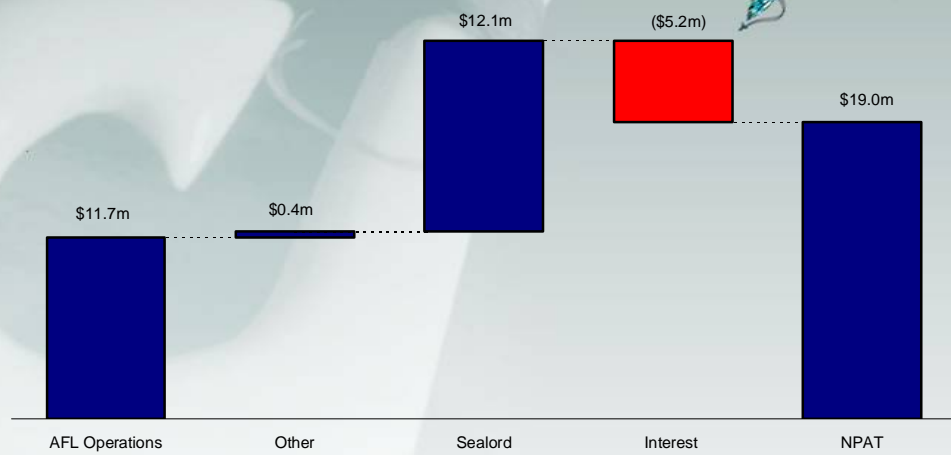
CEO's Report - Quota Holdings

Holdings by main species grouping (w/out Sealord)



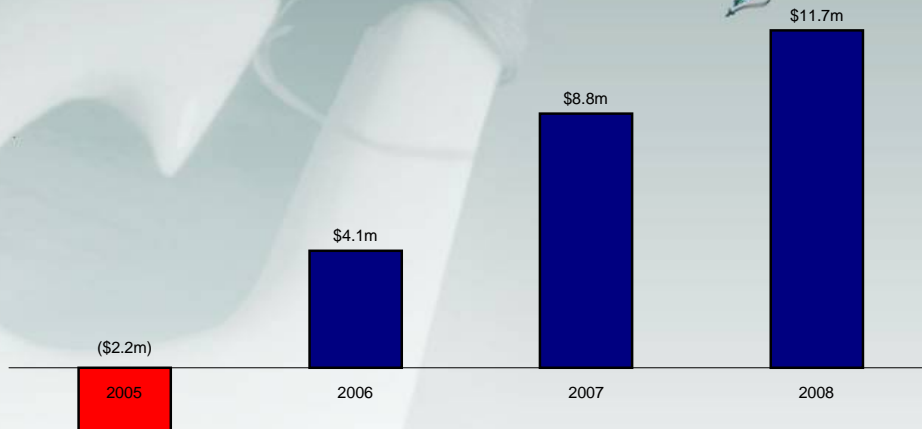
CEO's Report – Financial Summary

Net Profit After Tax comprised the following:



CEO's Report - AFL's Operating Earnings

AFL's operating earnings continued to grow in 2008



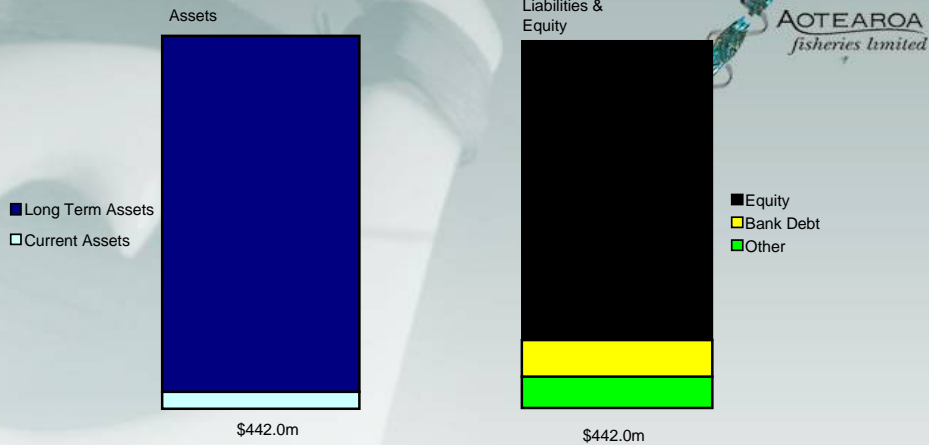
CEO's Report – Shareholders Equity

Shareholders Equity has increased 27% since 2005



CEO's Report – Balance Sheet

AFL has a strong Balance Sheet



- Debt (Bank Debt) Ratio at 30 September 2008 was 11%
- After Ocean Ranch transaction debt ratio is still a low 22%
- Interest to EBITDA Cover ratio was 6.5 times

CEO's Report - Outlook for 2008/09

- AFL plan NPAT for 2008/09 is \$25.3m including a contribution of \$10.4m from Sealord
- Plan reflects:
 - Acquisition of Ocean Ranch
 - Improvements in international seafood prices
 - Higher oyster sales volumes
 - Full year of benefits from Sealord Aquaculture changes
 - Growth in Sealord's international fishing business
 - Higher fuel prices
 - Lower exchange rates

CEO's Report - Outlook for 2008/09



Outlook for the balance of the year is tough:

- World has entered severe and prolonged recession
- Disappointing abalone sales for Chinese New Year
- Benefits of lower exchange rates delayed by hedges taken last year
- First quarter fuel costs are down but volatile
- Australasian demand solid in first quarter but expect softening
- Recession is hurting Sealord European marketing businesses

CEO's Report - Independent Audit



- Required under Section 105 of the Maori Fisheries Act
- Completely separate from annual audit of AFL financial statements
- Don Hunn and Ken Mason appointed auditors
- Auditors to report on:
 - Objectives set by the Board
 - Progress on achieving objectives
 - Quality and timeliness of reporting to meet requirements of the Act
 - Performance of AFL in meeting its obligation to work cooperatively with Iwi
 - Commercial performance of AFL in comparison with other industry players
 - PricewaterhouseCoopers retained by the Auditors to undertake the commercial review
- AFL is required to report to the AGM on its plans to address any issues raised by the auditors

CEO's Report - Independent Audit Overall Conclusion



"We find it unnecessary to make any recommendations on matters arising during this audit. In our view AFL has adopted an ethical and pragmatic approach in establishing realistic objectives and policies and strategies aimed at meeting those objectives. It has followed sound governance and management protocols with the ultimate aim of managing its assets in a commercial manner. Since October 2006 the company has taken proactive steps to work cooperatively with Iwi on commercial matters. The Iwi response to date is encouraging"

CEO's Report - Commercial Findings



- Comparison with Sanford and selected listed agribusinesses
- AFL shows positive earnings growth and conservative balance sheet
- AFL earnings trend outperforms Sanford
- AFL and Sanford have comparable balance sheets and shareholder returns
- AFL and Sanford have conservative financial structures
- AFL and Sanford shareholder returns underperform the selected agribusinesses and the market

CEO's Report - Commercial Comment



- Shareholder returns reflect weight of quota (43%) in total assets
- Cash returns on similar assets e.g. farm or forest land also low
- Investors expect a component of return as capital gain
- Potential unrealised capital gain on AFL quota base (\$138.9m)
- Agribusinesses selected by PwC are not major resource owners
- AFL and Sealord strategic plans will lift cash returns from quota

Questions



Shareholder Resolutions



- That Shareholders –
- Receive the Annual Report of AFL and confirm the Minutes of the last AGM;
- Reappoint Ernst & Young as auditor of AFL to:
 - Hold office from the conclusion of this meeting to the conclusion of the next Annual General Meeting; and
 - Audit the Group Financial Statements for the accounting period next after this meeting; and
 - Authorise the Directors to fix the auditors remuneration for the ensuing year.