



Strategy

3-Years 2009 – 2011

1. Priority on Performance
 - New Zealand Fishing
 - Mussels
2. Build momentum on growth
 - Yuken & Aquaculture
 - Australia
 - Nissui Global Links
3. Build Sustainable Competitive Advantage
 - Lean & Agile
 - Efficient Systems & Processes
 - **Strongly Value Based**

URGENT

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IMPORTANT

Sealord's Strategy 2008 - 11

PERFORM	GROW
<p>1. Transform our core New Zealand Fish business and address the basic issues</p>	<p>3. Continue to develop new fish supplies both wild catch and farmed</p>
<p>2. Resolve the Mussel Business issues</p>	<p>4. Grow our Australian and New Zealand marketing business</p>
<p>5. Become a leading company in the Global Links network</p>	
SUPPORTING	
<p>1. Create an agile and focused organisational structure</p>	<p>2. Align and strengthen core processes and put in place systems to support these</p>
<p>3. Reinforce Sealord's value system</p>	

Strategic Initiatives – Next Year

- More Growth in Australia
- More Fresh Fish in New Zealand & Australia
 - AFL as a partner
 - Include fish farming
- Further development in Argentina
- Continue work on Malaysian marine farm project



Our Business Model



Access to Fish Stocks

- Quota
- Licenses
- Farms
- Trusted partners

2,000 Individuals

Harvesting

- Trawlers
- Line catch
- Farming

Primary Processing

- Freeze at Sea
- Land Based Fresh
- Land Based Frozen

Secondary Processing

- Cutting / Filleting
- Coating
- Packing
- Smoking

Retailers

- Waitrose
- Foodstuffs
- McDonalds
- Walmart / Sams
- Coles
- Schwanns
- Captain D's

Affluent Consumers

- New Zealand 19%
- Australia 13%
- USA 12%
- Japan 11%
- UK 11%
- Western Europe 9%

eNGOs

- Greenpeace
- WWF
- Conservation International

Governments



Orange Roughy – Case Study

- ~ 15% of Sealord’s Earnings from Fishing Operations
- The most sensitive species in our portfolio in terms of environmental activism
- The most complex fisheries to manage in all of Sealord’s fisheries, difficult to assess stocks and determine TAC
- The battlefield of the war between the fishing industry and eNGO’s



Orange Roughy – A Critical Fish Species

- In total 5,500 – 6,000 tonne of orange roughy resource is available to Sealord
 - Two thirds in New Zealand EEZ.
 - Capitalised Value approximately NZD 120 million at today's prices.
- Sealord's most valuable fish resource
- A New Zealand, and an International Fishing issue.
- Affects all retail customers not just those who purchase Orange Roughy

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A FRESH PERSPECTIVE

Total Orange Roughy Resource

Orange roughy NZ	Resource (t)	Yield @ 1.5%	Yield at 1.4%	Long term yield	TACC 2009	Sealord	2009 tonnes	TACC 2010	2010-2015 tonnes
ORH7a					1,800	20%	290	1,300	290
ORH7B					180	24%	40	180	40
ORH7A	20,000	900	1,200	1,800	415	28%	116	415	116
ORH7B									
ORH7B									
ORH7B	81,000	3,645	5,184	5,226	6,270	36%	2,380	5,890	1,962
ORH7B	15,000	675	960	825	750		272	750	272
ORH7B									
ORH7B	10,000	450	640		1,820		470	1,820	467
ORH7B	10,000	450	640	375					143
ORH7B	10,000	1,975	2,240	1,625	1	38%	6.36	1	465
ORH7B					1	14%	0.14	1	0.9
ORH7B									3,594
Orange roughy International									
Antarctica	45,000	2,025	2,800			10%			263
Indian Ocean	80,000	3,600	5,120			10%	1,800		1,800
SFPRND	25,000	1,125	1,600			13%			142
							5,574		5,900

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A FRESH PERSPECTIVE

Orange Roughy – An Easy Target

- The history of management of orange roughy fish stocks has been abysmal and this weighs heavily on the reputation of the fish today.
- New Zealand fishing companies have not been smart in the way we have managed the fisheries.
 - E.g. our refusal to voluntarily close Challenger ORH7a in 2001
- In Namibia, Chile and Australia fisheries have been closed through over exploitation.
- The species has unique characteristics that make it an easy emotional target for eNGOs
 - Its extreme longevity
 - Its relative recent discovery
 - The depths at which it lives
 - Caught by bottom trawling on sea mounts

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A FRESH PERSPECTIVE

Orange Roughy – A Premium Fish under Threat

- A very concentrated market in the USA relying heavily on a small number of club stores.
 - Priced out of the USA restaurant market and now not competitive against farmed species.
 - A small Australian market
 - A tiny market in Europe
 - Untouchable in the UK
 - Unwanted in Japan
- Orange Roughy has very good name recognition and is regarded as a premium fish species
- Has a bland flavour, pearly white flesh and is versatile in how it can be cooked.



Orange Roughy – Needs a Joint Approach

- Industry co-ordination to manage the fishery and establish a sustainable reputation, MSC certification
- New Zealand industry is just starting to get this.
 - We have engaged the Sustainable Fish partnership to work with our Deep Water Group
- Co-ordinated marketing programmes potentially differentiating New Zealand roughy from other fisheries will be needed to maintain access
 - Strong in-market communication programmes
- A concerted effort by Sealord and supported by the New Zealand Government to maintain access to our international fisheries, especially the Southern Indian Ocean


