

Media Release

1 March 2017

## **NEW ZEALAND KING SALMON DECLARES 2.0 CPS INTERIM DIVIDEND, ON TRACK TO ACHIEVE FULL YEAR FORECAST EARNINGS**

A successful branding and market positioning strategy underpins growth for New Zealand King Salmon Investments Ltd (NZKS), which today reported its half year result for the six months to 31 December 2016 (1H17). The Board affirms its full year FY17 forecast as presented in its Product Disclosure Statement dated 23 September 2016.

Key highlights include:

- Net profit after tax of \$8.7 million, up 52% on the comparable six month period to 31 December 2015 (1H16)
- Pro forma operating EBITDA of \$7.3 million
- 3,400 metric tonnes of gilled and gutted salmon sold, up 13% on 1H16
- Volumes exported up 19% on 1H16
- Successful IPO on the NZX Main Board and ASX raising \$30 million to fund capital and working capital investment associated with our new sea farms and requisite processing infrastructure
- Premium branded strategy continues to drive demand in excess of available supply, underpinning improved value
- Salmon farming now underway at all three new sea farms
- First harvest from two of our three new sea farms
- Sales programme to China implemented in partnership with shareholder China Resources Ng Fung Ltd
- Successful launch of pet food range Omega Plus in South Island test market in September

“The first four months since listing have given us a good platform for future growth” said Chairman John Ryder. “We are positive about the future of the company and its global potential, and we are on track with our investment in new farm capacity and operational upgrades to support our strategy,” he added.

The company continues to execute on its premium branded export plans, said Managing Director and CEO Grant Rosewarne. “Strong growth in export volumes, up 19%, confirms market receptiveness to this strategy, while the company is developing additional pathways to unlock further export sales growth. Over the past six months, we have added retail and marketing expertise to our North American team to drive business development in supermarket channels, successfully initiated sales to China with our strategic partner and shareholder China Resources Ng Fung Ltd, and finalised our single harvest method, thus opening up exports to Europe and improving operational efficiencies.”

Mr Rosewarne added that the company has achieved steady growth from domestic activities, with 10% growth in sales volumes.

The company continues to develop farming and environmental management practices to optimise production and improve environmental outcomes. In January 2017, the Minister for Primary Industries commenced a consultation process on the proposal to relocate up to six salmon farms from their historic locations (up to 30 years old) to more suitable higher water flow sites. Mr Rosewarne said the company is supportive of the independent process. “In our view, a successful outcome will generate significant positive environmental, social and financial benefits for all stakeholders, including our Top of the South community.”

Mr Ryder noted that the company anticipates providing an update on key fish performance metrics once we are past the summer period. “The Board believes the company is on track to achieve FY17 prospective financial information as disclosed in our Product Disclosure Statement, excluding costs relating to the MPI proposed farm relocation initiative. NZKS will be paying a fully imputed interim dividend of 2.0 cents per share on 24 March 2017.”<sup>1</sup>

The NZKS Board is also pleased to announce that Ms Wang Xin, Director of China Resources Ng Fung Ltd, has been appointed a non-executive director of NZKS with immediate effect. China Resources Ng Fung Ltd purchased a 9.99% shareholding in NZKS as part of the recent IPO. In accordance with NZX Listing Rules 3.3.2 and 3.3.3(b), the Board has determined that Ms Wang is a non-independent director of NZKS.

NZKS issued its Product Disclosure Statement in September 2016 and shares began trading on the NZX Main Board and ASX on 19 October 2016 under the “NZK” ticker.

<ENDS>

**Contacts:**

Grant Rosewarne, Managing Director and CEO, New Zealand King Salmon Investments Ltd  
email: [grant.rosewarne@kingsalmon.co.nz](mailto:grant.rosewarne@kingsalmon.co.nz)

**About New Zealand King Salmon**

New Zealand King Salmon is the world’s largest aquaculture producer of the premium King salmon species. We operate under our four key brands: Ōra King, Regal, Southern Ocean, and Omega Plus, and the New Zealand King Salmon label. We have been growing and selling salmon to consumers for more than 30 years. Today we employ more than 400 people. More information can be found at [www.kingsalmon.co.nz](http://www.kingsalmon.co.nz)

---

<sup>1</sup> In the Product Disclosure Statement dated 23 September 2016, NZKS forecast it would pay a dividend of 3.6 cents per share for FY17 in two equal instalments. The Board has chosen to round the interim dividend up to the nearest whole number of cents per share, however, the total forecast dividends for FY17 remain in line with those set out in the Product Disclosure Statement.