

Media Release

25 August 2016

**SCALES CORPORATION LIFTS HALF YEAR AFTER TAX PROFIT, UPGRADES FULL YEAR EARNINGS GUIDANCE**

Scales Corporation Limited (NZX:SCL) today reported a net profit after tax of \$33.8 million for the half year ended 30 June 2016 (*1H16*), up 3 per cent on the previous corresponding half year ended 30 June 2015 (*1H15*).<sup>1</sup>

Key highlights include:

- NPAT up 3 per cent, EBITDA and EBIT also up 3 per cent on 1H15.
- Apple export volumes up 12 per cent on 2015 export volumes, to 3.55 million TCEs.
- Food Ingredients EBITDA up 33 per cent, with pet food sales volumes up 24% on 1H15.
- Full year guidance upgraded to EBITDA between \$55 million and \$62 million, equating to a net profit after tax of between \$29.6 million and \$34.6 million.
- China Resources welcomed as a long term supportive shareholder.

Managing Director Andy Borland says “the financial result represents an uplift on our record 1H15 result. This is an excellent achievement from the entire Scales team, and especially the Mr Apple team which has delivered another record crop on existing resources and infrastructure. Mr Apple has packed a record 3.55 million TCEs which is 12% above 2015 export volumes and meets a 2020 volume target four years ahead of schedule.”

“The Storage & Logistics division has seen good results from its new initiatives, especially the Auckland coldstore which is trading profitably and in line with our expectations. Core coldstorage assets have experienced some industry headwinds resulting in a divisional EBITDA for 1H16 that was lower than 1H15. By the end of the year it is expected that this division will produce a result that is consistent with the full 2015 result.

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<sup>1</sup> 1H15 and full 2015 results have been restated for changes in accounting standards. Please see our Interim Financial Statements for further information regarding the impact of these restatements.

**Scales Corporation Limited**

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“The Food Ingredients division is handling significant year on year increases in sales volumes and validates our diversified procurement strategy for that division. During 1H16 Meateor sold 12,000 metric tonnes of product, up 24% on 1H15.

“The Scales’ Board has upgraded its full year earnings guidance to an EBITDA of between \$55 million and \$62 million, equating to a net profit after tax of between \$29.6 million and \$34.6 million.”

Scales dividend policy is for interim and final dividends to be split approximately evenly and paid in January and July. Directors will consider payment of an interim dividend later in the calendar year.

### ***About Scales Corporation***

Scales Corporation is a diversified agribusiness portfolio. It comprises three operating divisions: Horticulture, Storage & Logistics and Food Ingredients. The company’s diverse spread of activities gives Scales broad exposure to New Zealand’s agribusiness sector. Scales Corporation was founded in 1897 as a shipping business by George Herbert Scales. Today it employs more than 500 staff New Zealand wide. Find out more at [www.scalescorporation.co.nz](http://www.scalescorporation.co.nz).

### **Contact**

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