

5 December 2018

SCALES CORPORATION DECLARES INCREASED INTERIM DIVIDEND AND UPDATES 2018 GUIDANCE

The directors of Scales Corporation Limited (NZX:SCL) have declared a fully imputed interim cash dividend for the 2018 financial year of 9.5 cents per share, to be paid on 18 January 2019. The dividend amount is an increase on the 2017 interim cash dividend of 9 cents per share which reflects both the positive trading performance for the current year and the stronger balance sheet position as a result of the recent Liqueo sale.

Directors have also indicated that EBITDA, for the twelve months to 31 December 2018, is likely to be at the top end, or slightly exceed, the current guidance range of \$58 million to \$65 million. The directors note that this guidance is based on a 'like for like' basis with FY17 and assumes the inclusion of a full year's earnings from cold storage subsidiary Polarcold.

Key 2018 highlights include:

- Conditional sale of Polarcold and the completed sale of bulk liquid storage subsidiary, Liqueo. These initiatives form part of the previously reported refreshed growth strategy.
- Positive results across the entire Group in 2018, with all divisions trading ahead of 2017.
- A record export apple crop for Mr Apple, and improved in-market pricing.
- Further increases in sales volumes in the Food Ingredients operations.

Managing Director Andy Borland says "This is an excellent performance for the Group, further building on the initiatives within each business unit. All businesses and divisions have traded very positively during 2018, and provide a high level of confidence as the Group looks to execute our refreshed growth strategy. As always, we are grateful to the tireless efforts of the entire Scales team."

Directors will not provide EBITDA guidance for 2019 at this time, due to two key outstanding initiatives:

1. The sale of Polarcold remains conditional on OIO approval, simply reflecting the long regulatory approval process. Under the Sale Agreement this condition is currently required to be met by 9 February 2019;

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2. In line with our growth strategy, Scales' continues to make positive progress on a number of our initiatives, some of which may be agreed in the near term.

Directors will provide an update at the announcement of the 2018 results in February 2019, or earlier if possible.

About Scales Corporation

Scales Corporation is a diversified agribusiness group. 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 700 staff New Zealand wide. Find out more at www.scalescorporation.co.nz.

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