

NZX & Media Release

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## **SCALES CORPORATION ENTERS INTO PETFOOD JOINT VENTURE WITH ALLIANCE GROUP**

Diversified agribusiness Scales Corporation Limited (NZX:SCL) today announced an agreement to enter into a petfood Joint Venture (JV) with Alliance Group Limited (Alliance). Under the terms of the JV, Alliance will pay \$15 million to acquire a 50% interest in Meateor's New Zealand business and operations.

Managing Director Andy Borland says: "We are pleased to enter into a partnership with one of New Zealand's leading farmer co-operatives. This venture is about developing New Zealand as the premier supplier of petfood proteins. We think the venture provides a number of benefits to the entire New Zealand petfood-supply industry including as an avenue for the industry to improve scale; improved relationships with customers including the ability to commit to longer-term relationships; an ability to move into higher value and added value ingredients; and ability to leverage extended customer and supplier networks."

David Surveyor, chief executive of Alliance says: "The joint venture extends Alliance's downstream reach, allows Alliance to become vertically integrated and ensures we have an end-to-end connection with the market. Meateor has established itself as a strong domestic and international petfood ingredients business, and we are pleased to be partnering with their high quality team. We admire Meateor's excellent customer-service, commitment to employees, and high operating standards, and believe they align well with our goals at Alliance."

Tim Goodacre, Chairman of Scales Corporation, says: The JV with Meateor represents the next step in our petfood ingredients strategy. We look forward to continuing to develop this division with further investment and growth initiatives."

Scales was advised by Maher & Associates (lead sale advisor) and Anthony Harper (legal).

Alliance was advised by Simpson Grierson (legal).

PwC provided independent corporate advisory services to both Scales and Alliance.

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**About Scales Corporation**

Scales Corporation is a diversified agribusiness group. It currently 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](http://www.scalescorporation.co.nz).

**About Meateor**

Meateor is a processor and marketer of high-quality petfood ingredients to global pet food customers.

**About Alliance**

Alliance is a food and solutions co-operative and New Zealand's only 100 per cent farmer-owned major red meat co-operative.

Alliance's activities include producing and supplying raw red meat materials to petfood processors.

Find out more at [www.alliance.co.nz](http://www.alliance.co.nz).