

Media Release

1 August 2017

SCALES CORPORATION COMPLETES ACQUISITION OF OCEANAIR

Scales Corporation Limited (NZX:SCL) today, through its wholly owned subsidiary Scales Logistics Limited (***Scales Logistics***) completed the purchase of OceanAir Limited and OceanAir Freight Pty Limited (collectively ***OceanAir***), a freight forwarding business with offices in Auckland and Melbourne.

OceanAir specialises in sea and air freight for perishable produce, specifically Kiwifruit and Avocado exports, which account for about 50% of its activity.

Key highlights of the Transaction include:

- Activities are closely aligned with our existing freight forwarding activities.
- Expands our freight forwarding footprint to include the Auckland and Melbourne markets.
- Revenue synergy opportunities by using the extended network to provide a more comprehensive service to the customers of both businesses.
- Earnings per share accretive

Scales Corporation's Managing Director, Andy Borland, says "We are pleased to announce the acquisition of OceanAir today. OceanAir was established by its owner manager Mr Russell Pope in 2004 and we have watched it grow and succeed in the intervening period. We are pleased to announce that Mr Pope will remain with the business where we will work collaboratively to deliver improved performance for the group."

"The acquisition of OceanAir corroborates our strategy to patiently acquire businesses that complement our existing portfolio whilst meeting our return objectives. Terms of the transaction remain confidential between the parties, however OceanAir will add about \$10 million in revenues to our freight forwarding activities. We believe that through successful collaboration, incremental revenues for the group will be significantly higher."

Scales was advised by Maher & Associates and Anthony Harper, OceanAir was advised by Martelli McKegg.

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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.

Contact

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