

**MEDIA RELEASE**

3 May 2011

**RECEIVERS ANNOUNCE SALE OF 79.7% SHAREHOLDING IN SCALES CORPORATION LIMITED**

Kerryn Downey and William Black of McGrathNicol, as receivers of the SCF Group, are pleased to announce that a conditional agreement has been entered into for the sale of the 79.7% shareholding in Scales Corporation Limited ("Scales"), to New Zealand investment firm Direct Capital.

Scales is a leading New Zealand horticulture and primary sector processing, exporter and logistics business. Scales has a long and successful history of operating in the New Zealand primary sectors.

Scales operating businesses include Mr Apple, the largest grower, packer and exporter of apples in New Zealand, Meateor Foods that exports processed meat used in the world's leading pet food brands, New Zealand's largest cold store network, a bulk liquids storage business and a logistics business.

Direct Capital is a New Zealand based investment firm that was established in 1994 to invest in private companies. Direct Capital will complete the investment in Scales through its current fund Direct Capital IV, and with co-investment from the NZ Superannuation Fund and ACC.

Direct Capital was selected through a competitive sale process that commenced following Scales' majority shareholder, SCF, being placed into receivership in late August 2010. The sale price of \$2.00 per share sees a value of approximately \$44 million for SCF's 79.71% shareholding. The sale is subject to a number of conditions and is expected to be completed in the coming months. Scales will convene a special meeting so that shareholders can vote on this transaction. Please note that nothing is required of any shareholder at this stage and Scales will provide further information in due course.

SCF receiver, Kerryn Downey, said "We have worked very effectively with the company and our advisors and this is an excellent result. It will provide increased certainty to all of Scales Group's stakeholders, customers, suppliers and minority shareholders. It's very pleasing to have found credible New Zealand buyers for this leading multi-industry business."

"Direct Capital as a new positive shareholder will provide Scales certainty in moving forward with its plans to develop and grow the Company," says CEO of Scales Andy Borland.

Goldman Sachs & Partners New Zealand Limited acted as financial advisor to the Receivers of the SCF Group.

**Ends****Media Enquiries:**

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### **About McGrathNicol**

McGrathNicol is an independent advisory firm specialising in corporate advisory, forensic, transaction services and corporate recovery. It is a market leader in Australia and New Zealand, with more than 300 people across the region, including more than 30 partners. McGrathNicol New Zealand was the receiver for Feltex and managed the high-profile HIH Insurance liquidation.