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Chronicle Herald

Cooke nets Scottish fish farm company

BRUCE ERSKINE BUSINESS REPORTER

\$203m acquisition will give N.B. firm 'unique platform' in Europe



A Cooke Aquaculture employee checks out a salmon farm in the Bay of Fundy off the shore of Meteghan in July 2012. The New Brunswick company has signed an agreement to buy a Scottish salmon farm. (ADRIEN VECZAN / Staff)

Cooke Aquaculture is buying a Scottish salmon farming business for \$203 million.

The New Brunswick company, which has salmon farms in Nova Scotia, announced Thursday it has signed an agreement to buy **Meridian Salmon Farms Ltd.**, from its Norwegian parent, **Marine Harvest**, the world's largest producer of farmed salmon.

Meridian has assets on mainland Scotland and the Shetland and Orkney islands.

"We are always looking for strategic development and investment opportunities in the seafood sector," Glenn Cooke, the company's chief executive officer, said.

"This purchase gives us a unique platform for our European operations and is a good fit with our Spanish sea bass and sea bream farming company, **Culmarex**.

"We will be able to leverage our global relationships with suppliers and build on Meridian's excellent market reach into both the European and U.S. marketplace."

The sale was part of an European Commission divestment order following Marine Harvest's takeover of Norway's **Morpol** in 2013. It is expected to close in May and is conditional on the commission's approval.

Cooke said the Meridian investment creates value for the New Brunswick company, which processes and sells more than 160 million pounds of Atlantic salmon, five million pounds of trout and 40 million pounds of sea bass and sea bream annually.

Meridian generated \$151.3 million in revenues in 2013 and had earnings before interest, taxes, depreciation and amortization of \$44.3 million, he said.

Marine Harvest's chief financial officer, Ivan Vindheim, told industry publication **IntraFish** the company would have preferred to keep the Scottish assets, but felt the sale price was fair.

Cooke spokeswoman Nell Halse said the Meridian acquisition was different from Cooke's \$150-million expansion plan in Nova Scotia, which involved a \$25 million provincial government loan, of which up to \$13 million is forgivable.

"Financing to purchase an existing company that will generate revenue immediately following an acquisition is completely different from the kind of financing we would secure for an expansion project where we are dealing with future revenue," she said in an email.

"For example, our financing for the (Nova Scotia) expansion plan was needed to build new farms and facilities that would not generate revenue for several years.

"The money from the province was an investment in that future and the many new jobs it would create. It is also conditional upon a number of deliverables. We must open facilities as promised and deliver on jobs. We are also obliged to pay back most of that money."

Halse said Cooke's expansion plans for Nova Scotia, which have been opposed by critics who claim salmon farms threaten the natural marine environment and wild fisheries, have not changed.

"This deal only strengthens our company and our ability to remain globally competitive while honouring our commitment to investments in Atlantic Canada," she said.

According to a March 5 BBC report, 155,000 salmon recently escaped from a Meridian farm in Shetland.

Meridian blamed the loss on damage caused to fish cages by gale-force winds and rough seas.

<http://thechronicleherald.ca/business/1196384-cooke-nets-scottish-fish-farm-company>

Mar 27, 2014

CBC News

Cooke Aquaculture announces \$203M Scottish purchase Company says Scottish deal won't interfere with Canadian projects

By Paul Wither

New Brunswick-based Cooke Aquaculture is buying the Scottish subsidiary of Marine Harvest in the Orkney and Shetland Islands in a deal worth \$203 million.

The company, which started in Blacks Harbour in 1985, projects it will now employ a total workforce of 2,500 people and have worldwide sales of \$1 billion.

"We are always looking for strategic development and investment opportunities in the seafood sector," Glenn Cooke, the CEO of Cooke Aquaculture, said in a release announcing the deal Thursday.

Cooke said the blockbuster acquisition will have no impact on its expansion plans in Canada, which include building a salmon processing plant in Shelburne southwestern Nova Scotia by 2015.

The company operates several salmon farms and a feed mill in Nova Scotia.

"Our plans for Nova Scotia have not changed," Nell Halse, spokesperson for Cooke Aquaculture, told CBC News in a statement on Thursday.

"This deal and our move to Northern Scotland only strengthens our company and our ability to remain globally competitive while honouring our commitment to investments in Atlantic Canada."

Cooke has signed an agreement with Marine Harvest to buy its wholly-owned subsidiary Meridian Salmon Farms Ltd. Meridian generated revenues of \$151 million in 2013.

Halse said Meridian produces 20,000 tonnes of farmed and organic salmon, and the brand name is well-respected in the U.K.

The agreement needs regulatory approval and is expected to close in May.

In October, Prime Minister Stephen Harper announced a new trade agreement with Europe that eliminates tariffs on Canadian seafood exports, a move greeted by producers.

Cooke said owning Meridian, and the European distribution lines that go with it, puts Cooke in a strong position to compete for business on a global scale.

"This acquisition and opportunity to go into northern Scotland is really a major, positive venture for us. It gives us a platform into the EU marketplace and one that ties in nicely and has synergies with our Spanish operations," Halse said.

"Even though that's sea bass and sea bream, we still have a marketing and distribution in southern Europe. So with this Scottish acquisition we'll have access to other European markets."

Halifax law firm Stewart McKelvey was general counsel for the deal.

<http://www.cbc.ca/news/canada/nova-scotia/cooke-aquaculture-announces-203m-scottish-purchase-1.2588621>

Cooke Aquaculture purchases Scottish salmon firm

<http://www.fis.com/fis/worldnews/worldnews.asp?monthyear=&day=28&id=67506&l=e&special=&ndb=1%20target=>