



423 Washington Street
Third floor
San Francisco, California 94111
415-421-4213 tel
415-982-7989 fax
www.seachangefund.com

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Contact: Beach Codevilla,
(303) 530-3551

NEW INVESTMENT FUND PROVIDES CAPITAL TO EXPAND THE SUSTAINABLE SEAFOOD MARKET

"Pioneer Fund" Uses Market Forces to Push for Sustainable Fishing Practices

Boston, Mass. – Sea Change Management, LLC, a San-Francisco-based private equity firm, introduced the Sea Change Investment Fund this morning. The Fund will provide capital to help expand the growing market for sustainable seafood in North America.

The Fund is capitalized with a \$10 million program-related loan from the David and Lucile Packard Foundation, matched by a \$10 million private equity investment. It will invest in seafood companies which meet strict sustainability and financial criteria. The Fund's objective is to expand the market for sustainable seafood by demonstrating that sustainable seafood is good business for fishermen, for the seafood industry and for investors.

"We believe that the market can play a key role in improving the health of the oceans," said Jim Leape, director of the Conservation and Science Program at the Packard Foundation. "The Sea Change Investment Fund is designed to provide capital to companies that are poised to expand the market for sustainable seafood."

Today, a growing number of consumers are finding it difficult to source a year-round supply of fish from assuredly sustainable sources. Very few distributors have been able to consolidate, brand and market sustainable seafood at the volume and consistency that is needed.

"Many seafood distributors and consumers don't know where to locate dependable sources of sustainable seafood," says Andreas Merkl, chairman, Sea Change Management, LLC. "Fisheries that make the effort to be sustainable are finding it very difficult to push their distinctive product through the existing distribution channels."

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Producers of sustainable seafood are facing a number of obstacles. Most importantly, the distribution networks are so complex that it is very difficult to track sustainable products from the boat to the consumer. As a result, the premium value of the product is lost – and the fishermen lose their incentive to use sustainable practices. At the same time, consumers are unable to find a reliable supply of seafood from sustainable and healthy sources.

“In order to better match sustainable seafood supply with market demand, the seafood industry must adapt the way it does business” said Howard Johnson, seafood industry consultant, H.M. Johnson and Associates. “Unfortunately, even when industry members try to take advantage of new marketing and distribution opportunities, they have problems finding the necessary capital to fund their efforts.”

The Sea Change Investment Fund will provide the necessary capital for the seafood industry to expand the sustainable seafood market, including aggregating supply to meet specific demand criteria, creating successful new brands, creating new distribution channels, and ultimately increasing consumer choice.

The Fund’s investments are reviewed by two committees evaluating both conservation and financial returns. These committees include senior professionals in the conservation, fisheries, seafood, finance and investment communities.

For more information, please visit www.seachangefund.com

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