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13 August 2014

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Goodman Fielder Limited – Presentation to Analysts - 2014 Results

I attach a Presentation to Analysts in connection with the 2014 financial results of Goodman Fielder Limited.

The attached document will be posted to the Company's website once released to the market.

Yours sincerely,

SARA GOLDSTEIN
Company Secretary

GOODMAN FIELDER LIMITED
YEAR ENDED 30 June 2014

RESULTS PRESENTATION

13 August 2014

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Disclaimer and basis of preparation

DISCLAIMER
This presentation is provided for information purposes only. The information contained in this presentation is not intended to be relied upon as advice to investors and does not take into account the investment objectives, financial situation or needs of any particular investor. Investors should consider their own individual investment and financial circumstance in relation to any investment decision.

Certain statements contained in this presentation may constitute forward-looking statements or statements about future matters that are based upon information known and assumptions made as of the date of this presentation. These statements are subject to risks and uncertainties. Actual results may differ materially from any future results or performance expressed, predicted or implied by the statements contained in this presentation.

Unless otherwise indicated, any market share information contained in this presentation is sourced from Aztec.

BASIS OF PREPARATION
Normalised EBIT, Normalised EBITDA and Normalised NPAT are non-IFRS measures that reflect, in the opinion of the Directors, the ongoing operating activities of Goodman Fielder in a way that appropriately presents its underlying performance. The non-IFRS underlying profit measures exclude restructuring expenses, profits or losses from sale of businesses and assets, asset write-downs and impairments and realised foreign exchange losses.

KPMG has undertaken a set of agreed procedures to agree that certain historical financial information contained in this presentation corresponds to the underlying Goodman Fielder financial information. These procedures do not constitute a review or an audit.

Agenda

▪ Overview	Chris Delaney, Chief Executive Officer
▪ Group Results	Patrick Gibson, Chief Financial Officer
▪ Segment Results	Patrick Gibson
▪ Strategic Update	Chris Delaney
▪ Outlook	Chris Delaney

1. Overview

Result overview

- Revenue growth from improvement in power brands in Baking & recovery in Fiji off-set by significant commodity cost pressure and difficult trading environment
  - Improved pricing/mix and increased market share in power brands in Baking offset by high A$ wheat price and manufacturing reliability issues
  - Successful turnaround in Fiji Poultry business drives APAC earnings higher
  - Record increase in farmgate milk price impacts Dairy earnings
  - Increased competitive environment in Grocery (Spreads/Flour)
- Reported result impacted by non-cash impairments, restructure costs
  - Reported net loss of $405.1m
  - Loss on sale of non–core businesses ($97.3m)
  - Non-cash impairment (pre tax) for Continuing Operations ($358.2m)
- Significant improvement in key business imperatives
  - Safety (SIFR) improved by 42%
  - Quality (Complaints) down by 20%
- Improvement in capital management in second half
  - Net debt reduced by 11%; operating cash flow up by over 100% from 31 December 2013
- Final dividend of 1c per share payable on 1 October 2014 – fully franked (Aust); imputed (NZ)

Financial results at a glance

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Overview | Group Results | Segment Results | Outlook | Appendix

Normalised from Continuing Operations*

EBITDA $223.8m	↓ 11%	Reflects commodity cost pressure and difficult trading conditions
EBIT $150.7m	↓ 19%	Includes higher depreciation charge in FY14
NPAT $63.1m	↓ 17%	Reflects lower EBIT; partially offset by lower net interest and tax expense
Dividend 1c	↓ n/m	Fully-franked (Aust) Imputed (NZ) final dividend

Reported from Continuing Operations**

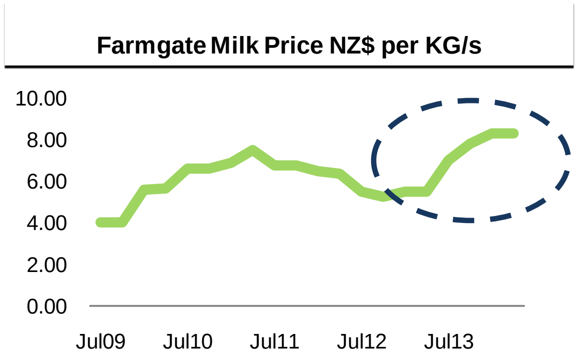
Revenue $2,199m	↑ 3%	Improved pricing in Baking/Dairy; FX benefits from stronger NZ$
EBITDA*** $185.6m	↓ 28%	Includes one-off costs related to business divestments and restructuring costs
EBIT ($342.3m)	↓ n/m	Reflects loss on sale on divested businesses, non-cash impairments and one-off costs
NPAT ($405.1m)	↓ n/m	Includes after tax significant items of $468.2m

Note: (*) Normalised excludes significant items. (**) Reported includes significant items - see last slide for disclosure of significant items FY14 and FY13
(***) Excludes the net loss on sale of business divestments and assets of ($96.5m) pre tax impairments of ($358.2m) and realised exchange loss of ($0.[illegible]m)
n/m – not meaningful

Earnings impacts in FY14

Commodity Cost Pressure

- Record increase in farmgate milk price in NZ impacts NZ Dairy earnings
- Despite lower US$ wheat price – local A$ wheat price increased 8% in 1H14 due to lower A$ and drought conditions – impacts earnings in Aust Baking



Spreads

- Lack of retailer ranging of NPD in Spreads category and underperformance of brand (MeadowLea Heart Plus and Buttery) impacts Grocery (Aust) earnings
- NPD successfully ranged in NZ

Reliability issues in Supply Chain

- Reliability issues in baking supply chain results in higher freight and logistics costs across network to maintain customer service levels
- Reliability issues negate anticipated lower manufacturing/unit cost savings

Progress made in core businesses

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Step Change in Safety & Quality	▪ Step change in engagement leading to significant improvement in Quality/Safety ▪ Achieved 42% reduction in SIFR across GF – down to 10.2 ▪ Total consumer complaints reduced by 20% across GF
Growth in Baking Top Line	▪ Arrested sales decline Baking – achieving 3% NSV growth in FY14 ▪ Investment in power brands – stronger NPD (Lower Carb, Gluten Free), 41% increase in DME ▪ GF recognised as category leader in Baking – collaboration with retailers
Category leadership Dressings & Mayo	▪ Reversed declines in Dressings & Mayo through product/consumer innovation and improved customer alignment ▪ Praise secured category leadership - market share up 2.7 points to 59.5% (MAT)
Harnessing UHT Opportunity	▪ Qualified the opportunity to grow Meadow Fresh into China ▪ Commenced $25m capital investment to expand UHT capacity at Christchurch by 32 million litres p.a.
Re-launch of Meadow Fresh brand	▪ Successfully re-launched Meadow Fresh brand amid record commodity cost inflation ▪ Defended market position against significant competitor marketing activity ▪ Well positioned to capitalise on lower raw milk price from 1 July 2014
Recovery of Fiji Poultry	▪ Fixed the problems in Fiji Poultry ▪ Key metrics (mortality, yield) now back to pre-issue levels, volumes up 16% in FY14

Financial results summary

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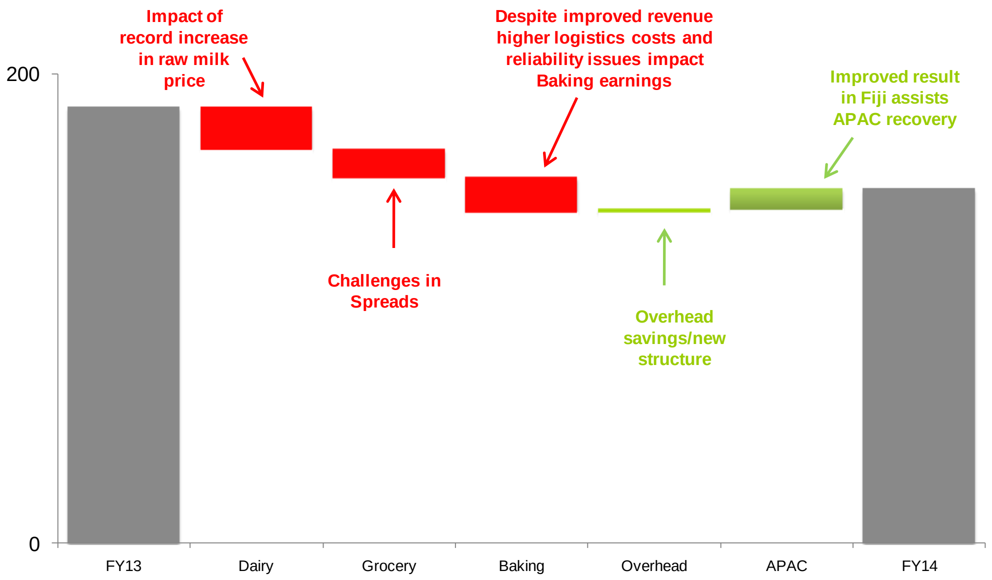
Normalised EBIT* Bridge FY13 v FY14 - A$m



- **Dairy** – Farmgate milk price increased by 57% on prior year – unable to fully recover through retail pricing
- **Grocery** – very challenging retail conditions impact price and volume. Improved result in Dressings & Mayo offset by lower result in Spreads
- **Baking** – Despite top line growth, EBIT down 29% from reliability issues in bakeries/higher logistics costs (Aust)
- **Asia Pacific** – Earnings up 15% on FY13 as Fiji Poultry issue successfully resolved; partially offset by currency impact from PNG

(*) Normalised from Continuing Operations. Excludes pre-tax significant items of ($493.0m); FY13: $13.1m - see last slide for disclosure of significant items

2. Group Results

Financial results summary

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Continuing Operations

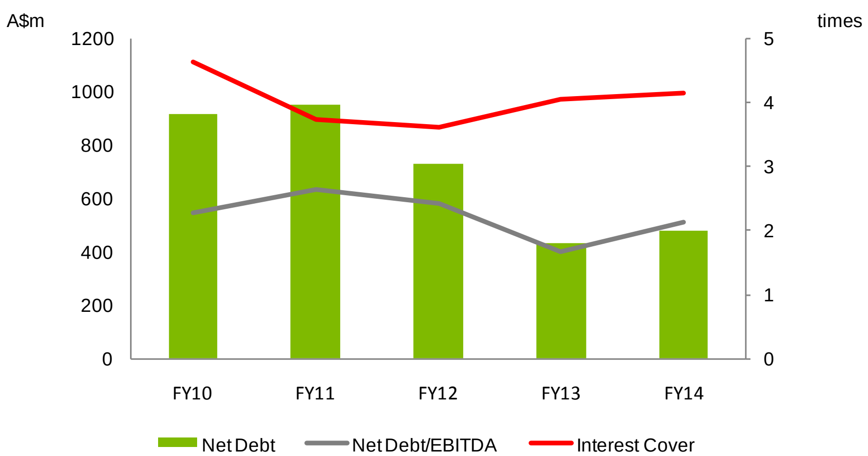
Normalised*			
A$m	**FY14**	**FY13**	**%∆**
REVENUE	**2,199.9**	2,127.6	+3%
EBITDA	**223.8**	252.1	(11%)
EBIT	**150.7**	185.6	(19%)
NPAT	**63.1**	75.7	(17%)
Significant Items			
A$m			
Pre Tax	**(493.0)**	13.1	n/m
Post Tax	**(468.2)**	16.0	n/m
Reported			
A$m			
EBITDA	**185.6****	257.2	(28%)
EBIT	**(342.3)**	190.7	n/m
NPAT	**(405.1)**	83.5	n/m

- Revenue up 3% on increased NASP, improved mix in Baking (Australia) improved pricing in APAC, also assisted by higher NZ$ vs A$
- Normalised EBIT decline includes commodity costs impacts in Dairy and Baking and impact of tough trading conditions on Grocery partially offset by significantly improved result in APAC
- Normalised NPAT impacted by lower EBIT, partially offset by lower net interest and tax expense
  - Underlying Effective Tax Rate on Normalised Continuing Operations of 25.2% vs 29.4% in prior year
- Reported results include impact of significant items
  - Loss on sale related to business divestments
  - Impairments Continuing Operations (Baking/Grocery)
  - Restructure costs (see appendix)

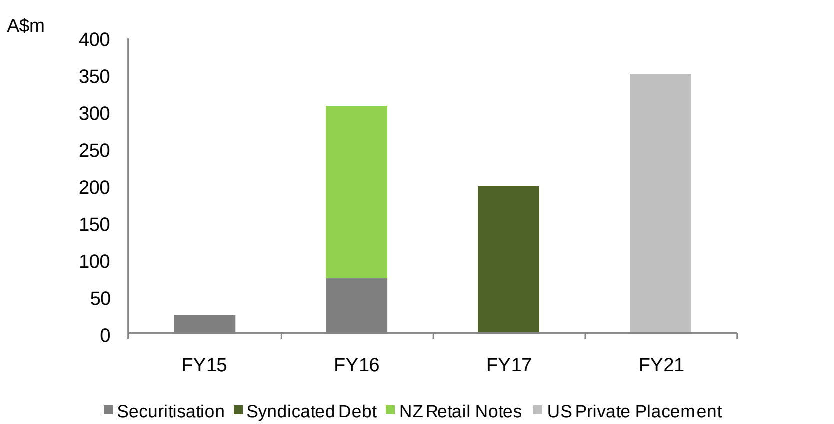
Note: (*) Normalised excludes significant items – see last slide for details of significant items
(**) Excludes the net loss on sale of business divestments and assets of ($96.5m); pre tax impairments of ($358.2m) and realised exchange loss ($0.1m)

Capital management/balance sheet

Net debt - A$M



Debt profile – diverse source and funding maturity



- Net debt 11% above prior year but 12% lower than first half FY14 from continued focus on working capital management

Metric*	30 June 2014	31 Dec 2013	30 June 2013	30 June 2012
Net Debt**	$481m	$549m	$434m	$728m
Leverage Ratio *Net Debt/EBITDA*	2.12x	2.13x	1.65x	2.42x
Interest Cover *EBITDA/Net Interest*	4.17x	4.30x	4.06x	3.61x

- Credit metrics continue to be in line with investment grade
- Diverse source and maturity of funding in place
- Goodman Fielder remains comfortably within covenants with ongoing financial flexibility post year-end non-cash impairments

Note: (*) These calculations are in accordance with the group's debt covenants
(**) FY14 Net debt excludes unrealised FX gains of $32.9m (1HFY14: $7.7m, FY13: $23.9m, FY12: $52.5m) relating to the revaluation of the company's US dollar private placement debt.

Capital management

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Cashflow from operations A$m	FY14	FY13
EBITDA (reported)	**185.6***	280.1
Net movement in working capital	**39.7**	76.3
Other	**(25.4)**	(94.0)
Net free cash flow	**199.9**	262.4
Net Interest paid	**(56.8)**	(69.2)
Tax paid	**(24.8)**	(14.5)
Cashflow from operations	**118.3**	178.7

	FY14	FY13
EBITDA (reported)	**185.6***	280.1
Loss/(Gain) on asset sales	**-**	(13.7)
Net Insurance Proceeds	**-**	(16.8)
Discontinued Ops	**-**	(14.9)
Restructure costs	**38.2**	17.4
Normalised EBITDA (Cont Ops)	**223.8**	252.1

Capital expenditure A$m	FY14	FY13
Planned Maintenance	**40.1**	46.1
Growth/Cost-out Initiatives	**25.9**	19.3
Divisional Capital Expenditure	**66.0**	65.4
Corporate (incl SAP upgrade)	**9.6**	17.4
Other		0.2
TOTAL CAPEX	**75.6**	83.0

Cash flow from operations

- Reported EBITDA in prior year included gain on asset sales, earnings from Discontinued Operations and lower restructure costs. (see above)
- Significant improvement in Working Capital in second half from improved inventory control and debtor/creditor management
- Lower net interest paid from debt repayment in 1st quarter
- Higher tax paid relates to timing of tax paid in PNG (one-off)

Capital expenditure

- Decline in Total Capital Expenditure - phasing of specific projects into FY15
- Re-focus Capital Expenditure on Growth/Cost out initiatives – up 34% on FY13

Note: (*) Excludes the net loss on sale of business divestments and assets of ($96.5m); pre tax impairments of ($358.2m) and realised exchange loss ($0.1m)

3. Segment Results

Baking (ex NZ Milling)

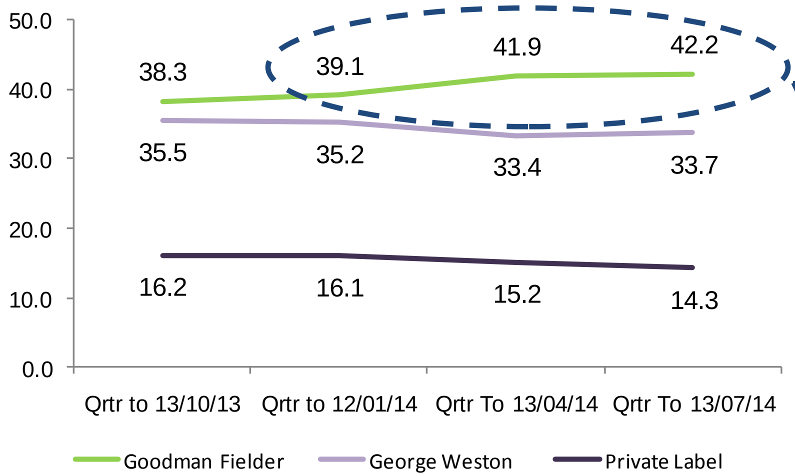
A$m, unless otherwise stated	FY14	FY13	%∆
Volumes (m units)	**441.7**	467.0	(5%)
NASP (A$)	**2.09**	1.92	+9%
Revenue	**924.6**	897.8	+3%
EBIT Normalised (*)	**35.0**	49.5	(29%)
EBIT Margin (*) (%)	**3.8%**	5.5%	(31%)
Capital Expenditure	**39.4**	35.8	+10%

- **Top line growth in Aust from positive demand creation initiatives (Artisan/Power brands) offset by higher commodity costs and costs related to manufacturing reliability issues**
- Revenue up 3% from increased NASP, improved mix from Artisan and increase in share from power brands in Fresh Loaf
  - Artisan NSV up 78%% vs FY13
  - Helga's share of fresh loaf up 3 share points
  - Wonder White share of fresh loaf up 1 point
- EBIT down 29% - impacted by increased commodity costs (higher A$ wheat costs) and higher costs re one-off manufacturing reliability issues
- Higher investment in marketing (DME up 41%) on prior year to fund brand equity
- Capital Expenditure up 10% funding critical asset improvement in Bakery network to drive manufacturing efficiencies

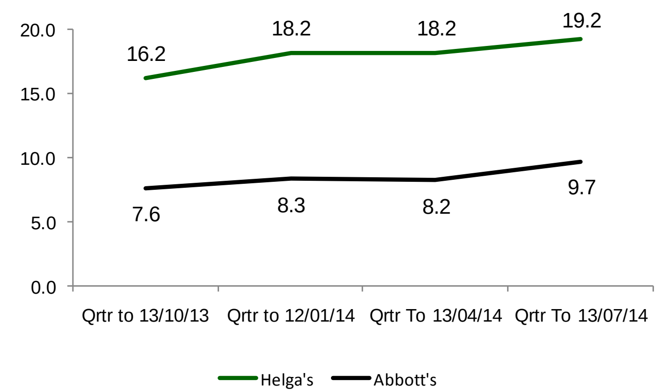
Note: (*) represents EBIT before significant items as per note 4 segment information in the 30 June 2014. Financial Report. Prior period excludes Discontinued Operations (NZ Milling) EBIT of $8.4m
NASP – Net Average Selling Price

Baking share

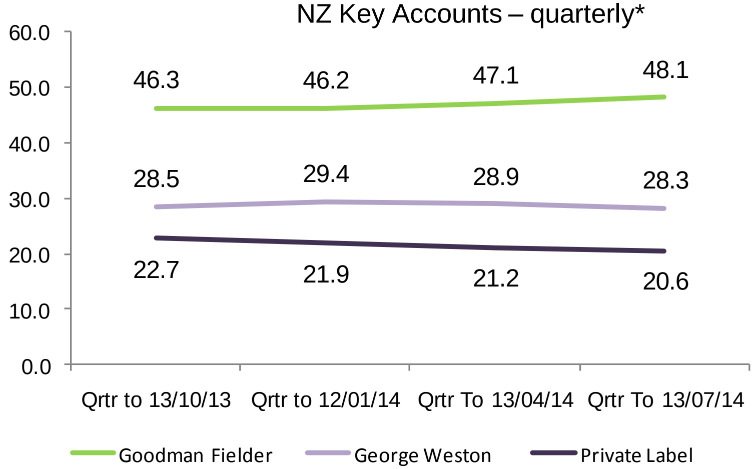
$ Share of Fresh Loaf – Australia
Aust National – quarterly*



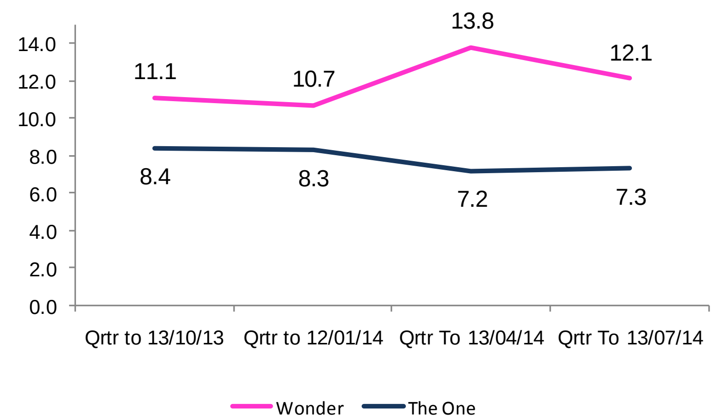
$ Share of Aisle Fresh Loaf– Australia
Aust National – quarterly*



$ Share of Fresh Loaf – New Zealand
NZ Key Accounts – quarterly*



$ Share of Aisle Fresh Loaf – Australia
Aust National – quarterly*



**Source: AZTEC Scan Data, Grocery*

Grocery

A$m, unless otherwise stated	FY14	FY13	%∆
Volumes (m units)	**214.1**	251.9	(15%)
NASP (A$)	**2.10**	2.00	+5%
Revenue	**448.9**	502.8	(11%)
EBIT Normalised (*)	**50.9**	63.4	(20%)
EBIT Margin (*) (%)	**11.3%**	12.6%	(10%)
Capital Expenditure	**6.7**	7.7	(13%)

Note: (*) represents EBIT before restructuring costs as per note 4 segment information in the 30 June 2014 Financial Report.
NASP – Net Average Selling Price

- **Challenging markets from increased competition (proprietary and private label) and lack of ranging in Spreads (Aust) impacted Grocery result**
- Volume decline reflects range reduction in Spreads (existing and NPD) only partially off-set by increased volume in Dressing & Mayo as Praise restored to category leadership position through successful NPD
  - NZ volume steady
- Price increases implemented in 1st half, however continued soft trading conditions required increased investment in promotional allowance to mitigate volume pressure
- Revenue down 11%, also includes impact of divestment of Biscuits business
- Gross margin as % of revenue improved from continued focus on cost efficiency
- DME up 24% - driving branded equity campaigns across Grocery portfolio
- Despite increased EBIT in NZ, Normalised EBIT down 20% impacted by Spreads decline in Australia

Dairy (Incl Meats)

A$m, unless otherwise stated	FY14	FY13	%∆
Volumes (m units)	**267.7**	265.1	+1%
NASP (A$)	**1.77**	1.49	+19%
Revenue	**472.7**	395.3	+20%
EBIT Normalised (*)	**19.9**	37.7	(47%)
EBIT Margin (*) (%)	**4.2%**	9.5%	(56%)
Capital Expenditure	**9.4**	5.8	62%

- **The Dairy business was unable to fully recover the record increase in the farmgate milk price through retail pricing which impacted earnings**
- Milk volumes in key accounts up on prior year off-setting lower volume in Route Food Service. Market share in fresh white milk steady vs prior year despite significant competitor marketing activity. Volumes in yoghurt steady vs prior year
- Revenue up 20% from increase in milk pricing partially-offset by divestment of Meats business in 3rd quarter
- EBIT down 47% - impacted by 57% increase in farmgate milk price during the year and aggressive competitor pricing – GF unable to fully recover input cost inflation
  - Also includes trading loss from Meats business (since divested)
  - Farmgate price lowered from NZ$8.65 kg/S to NZ$ 7.00 kg/S from 1 July 2014

Note: (*) represents EBIT before restructuring costs as per note 4 segment information' in the 30 June 2014 Financial Report.
NASP – Net Average Selling Price

Asia Pacific

A$m, unless otherwise stated	FY14	FY13	%∆
Volumes (m units)	**226.3**	229.9	(2%)
NASP (A$)	**1.56**	1.44	+8%
Revenue	**353.7**	331.8	+7%
EBIT Normalised (*)	**65.1**	56.4	+15%
EBIT Margin (*) (%)	**18.4%**	17.0%	+8%
Capital Expenditure	**10.4**	10.0	+4%

- **Significant improvement in operational metrics and performance in Fiji Poultry business drives earnings improvement in Asia Pacific**
- Total volumes down 2% - successful turn-around of Fiji Poultry business - volume up 16%, off-set by lower stockfeed volumes (PNG)
- Despite lower volume, Revenue up 7% from improved NASP in Fiji and PNG
- Normalised EBIT up 15% - reflects improved revenue and also increased gross margin from lower manufacturing costs as issues in Fiji successfully addressed ; partially offset by lower PNG currency vs A$
- Capital Expenditure in line with prior year

Note: (*) represents EBIT before restructuring costs as per note 4 segment information' in the 30 June 2014 Financial Report.
NASP – Net Average Selling Price

4. Outlook

FY15 outlook

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1 **Commodity prices**	▪ Reduction in farmgate milk price from 1 July 2014 expected to assist in earnings improvement in NZ Dairy business ▪ Expect continued fluctuation in A$ wheat price – manage exposure accordingly
2 **Market conditions to remain competitive**	▪ Baking and Grocery markets (Aust and NZ) to remain challenging – competitor and PL competition ▪ Carefully monitor recent introduction of $1 bread in NZ
3 **Continued reinvestment in R&D/Innovation to drive core category growth**	▪ Further increase in DME and innovation spend on prior year to strengthen brand equity and category growth ▪ Strengthened NPD pipeline with products launching in FY15 in Spreads, Baking Mixes, Flour, Baking
4 **GF competitive position strengthening**	▪ Organisational restructure in 4th qtr FY14 provides a more cost efficient and streamlined structure for GF to compete ▪ Continue to improve engagement with major customers on key issues of improving daily fresh delivery model, NPD and consumer insights

Update on Scheme of Arrangement

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1	**Scheme Implementation Deed**	▪ On 2 July, Goodman Fielder entered into Scheme Implementation deed with Wilmar International and First Pacific ▪ Goodman Fielder shareholders to receive A$0.675 cash per share, subject to a number of conditions ▪ In the absence of a superior proposal, and subject to independent expert report concluding that the Scheme is fair and reasonable, GF Board unanimously recommends shareholders vote in favour of Scheme
2	**Next Steps and Expected Timing***	▪ Regulatory Approval Process commenced ▪ Scheme Booklet to be despatched to GF shareholders in October 2014 ▪ Scheme Meeting in late November 2014 ▪ Implementation Date in December 2014

(*) Dates are indicative and subject to progress on Regulatory Approvals.

5. Appendix

Financial results summary

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Results – Continuing and Discontinued Operations

Reported* - Continuing & Discontinued Operations		
A$m	**FY14**	**FY13**
EBITDA	**(269.2)**	280.1
EBIT	**(342.3)**	213.3
NPAT	**(405.1)**	102.5
Basic EPS (cents)	**(20.7)**	5.3

Normalised** - Continuing & Discontinued Operations		
A$m	**FY14**	FY13
EBITDA	**223.8**	267.0
EBIT	**150.7**	200.2
NPAT	**63.1**	86.5
Basic EPS (cents)	**3.2**	4.5

Results – Continuing Operations

Reported* - Continuing Operations		
A$m	**FY14**	**FY13**
EBITDA	**(269.2)**	257.2
EBIT	**(342.3)**	190.7
NPAT	**(405.1)**	83.5
Basic EPS (cents)	**(20.7)**	4.3

Normalised** - Continuing Operations		
A$m	**FY14**	FY13
EBITDA	**223.8**	252.1
EBIT	**150.7**	185.6
NPAT	**63.1**	75.7
Basic EPS (cents)	**3.2**	3.9

Note: (*) Continuing Operations exclude the Integro business sold on 2 October 2012 and the NZ Milling business sold on 22 February 2013 which are classified as Discontinued Operations
(**) Normalised from Continuing Operations. Excludes post tax significant items from Continuing and Discontinued Operations of ($468.2m); FY13: $16.0m - see next slide for disclosure of significant items

Significant items

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Significant Items		
A$m	**FY14**	**FY13**
Net (Loss) / gain on business divestments/asset sales	(96.5)	13.7
Net Insurance proceeds	-	16.8
Restructure costs	(38.2)	(17.4)
Impairments	(358.2)	-
Realised exchange loss	(0.1)	-
Total Significant Items Pre Tax	**(493.0)**	**13.1**
Tax on Significant Items	24.8	2.9
Total Significant Items After Tax	**(468.2)**	**16.0**

- Significant Items per previous market advice:
  - Net Loss on sale ($96.5m) primarily related to business divestments:
    - Biscuits sold to Green's Foods
    - Meats sold to Heller's
    - Pizza sold to Momma's Frozen Products
  - Pre-tax Non-cash impairments from Continuing Operations ($358.2m)
    - Baking Aust & NZ ($337.4m)
    - Grocery NZ ($20.8m)
  - Pre-tax Restructure Costs ($38.2m)
    - Site closure costs re business divestments
    - Redundancy costs re implementation of simplified organisational structure
    - Costs re Scheme of Arrangement with Wilmar/First Pacific

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