

26 August 2009

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Goodman Fielder Limited – Presentation to Analysts - 2009 Results

I attach a Presentation to Analysts in connection with the 2009 financial results of Goodman Fielder Limited.

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

Yours sincerely,



JONATHON WEST
Company Secretary

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Agenda

1. Group Highlights
2. Financial Results
3. Divisional Review
4. Group Strategy
5. Outlook

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Presentation to Analysts - FY09
Building for the future

Goodman
Fielder



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Group Highlights

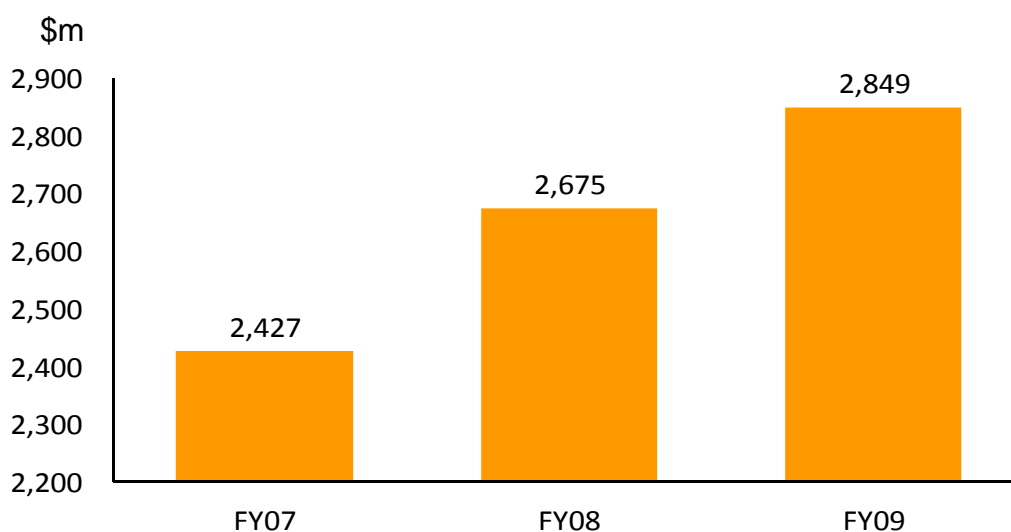
Solid revenue growth (+6.5%)

- Underpinned by Asia Pacific and Home Ingredients
- Lower commodity costs during second half impacted price realisation
- Enhanced margin focus

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Revenue Growth



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Group Highlights

Solid profit performance

- Improved second half driven by Baking and Dairy performance
- Commercial experienced difficult trading conditions due to volatile commodities and softening demand
- Results include net gain on significant items of \$10.6m (pre-tax)

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Group Financial Summary

A\$m	FY09	FY08	Change
Revenue	2,848.6	2,675.4	6.5%
EBITDA	375.0	370.4	1.2%
EBITDA (Normalised)*	364.4	376.0	-3.1%
Reported NPAT	177.1	27.7	539.4%
Reported NPAT (Pre impairment)	177.1	197.7	-10.4%

*Excludes profit on brand and asset sales and restructuring costs, and in FY08, discount on acquisition

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Group Highlights

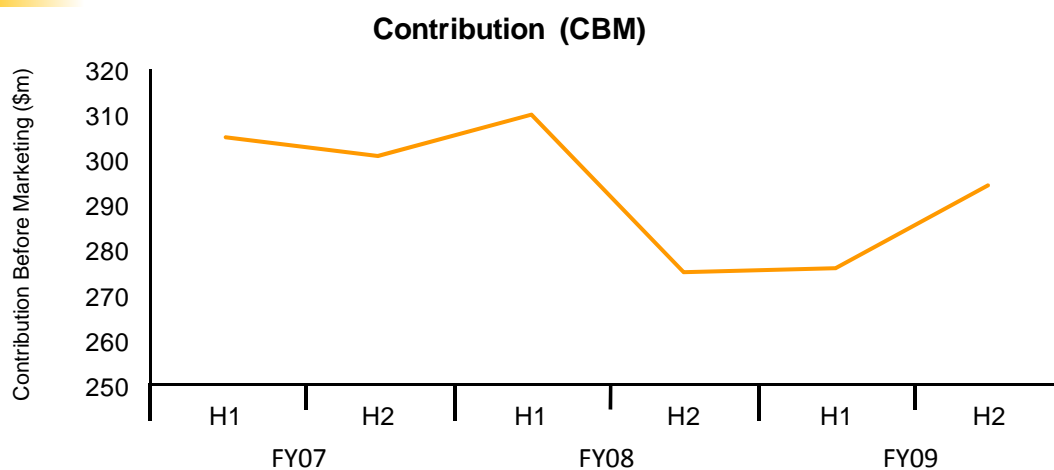
Improving run rates

- Strong Q4
- Underpinned by reduced input costs and successful marketing programs

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Group Financial Summary



CBM calculated as Gross Margin less Warehousing and Distribution costs

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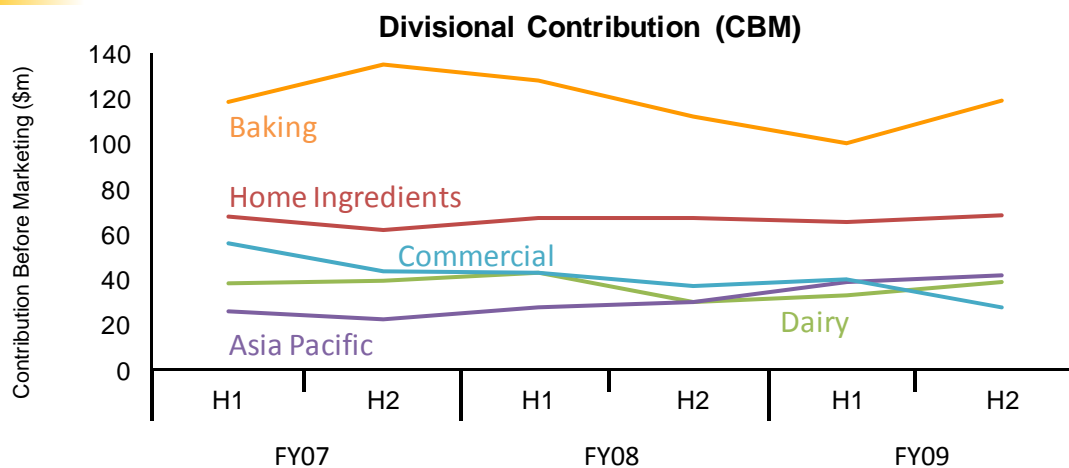
Group Highlights

- Consumer (Branded) businesses lead the recovery
 - Baking / Dairy
- Commodity volatility impacts Commercial
 - Industrial / Food Service channels

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Group Financial Summary



CBM calculated as Gross Margin less Warehousing and Distribution costs

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Group Highlights

Outstanding cash management

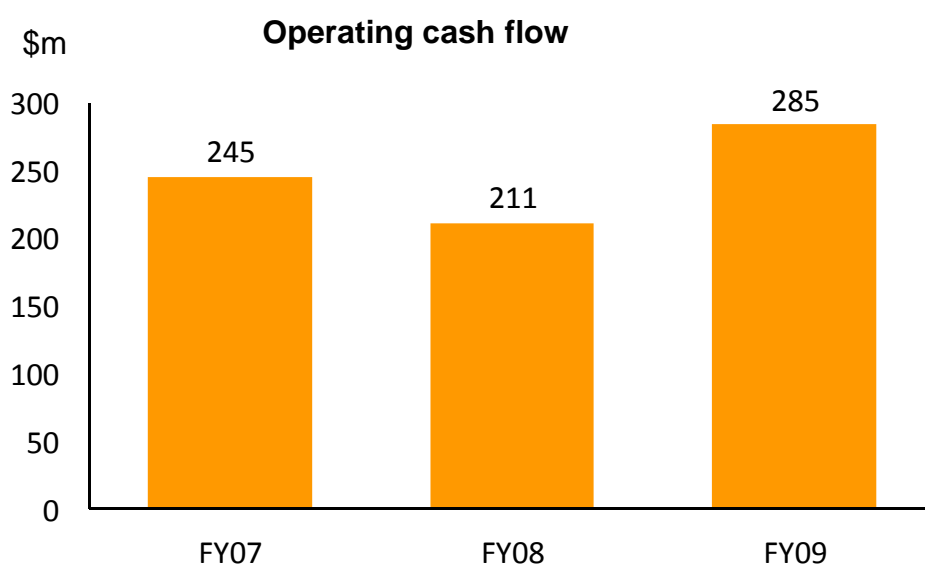
- Record operating cash flows
- Cash realisation* at 120%
- Strong cash flows underpin dividend payout ratio at 80%
 - Represents 50% of operating cash flow

* Cash realisation ratio calculated as operating cash flow divided by (NPAT [before OEI] plus depreciation, amortisation and impairment)

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Group Financial Summary



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Group Highlights

Prudent balance sheet management

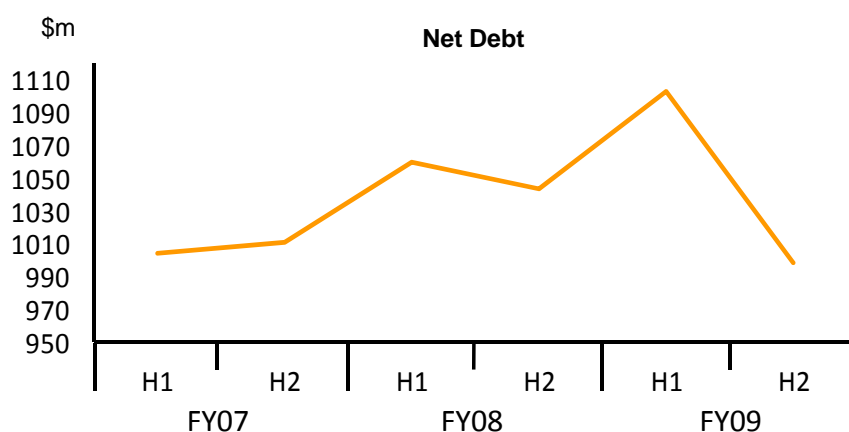
- Significant reduction in net debt
- Conservative gearing
 - Debt to (Debt + Equity) of 28.9%*
- Successfully refinanced \$200m in debt facilities

* Equity is grossed up to remove the impact of reverse acquisition accounting (\$842.5m)

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Group Financial Summary



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Group Highlights

Improved business fundamentals during a period of unparalleled commodity volatility

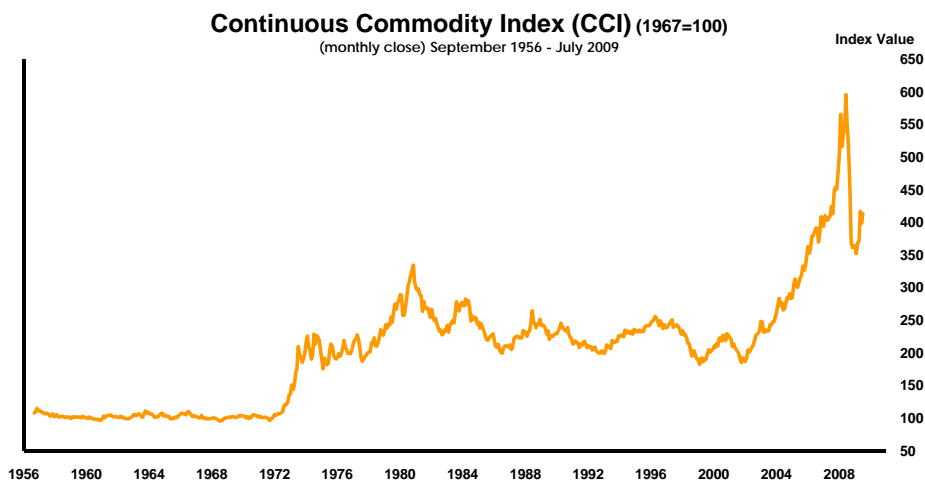
- Cash generation
- Market position (share)
- Operating performance

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Group Highlights

Historical commodity prices (CRB)



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© Thomson Reuters

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Group Highlights

Strategic re-alignment to a consumer brands business

- Exploring options for divestment of Commercial Fats and Oils business
- Increased investment in marketing and innovation
- Divestment of non-core brands
- Clarity on Goodman Fielder positioning

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“A great portfolio of iconic local brands...”



MeadowLea



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FY09 Reported Financial Results – Comparison with FY08

- Solid revenue growth
- Reported EBITDA up 1.2% on FY08 – a great result in a difficult commodity cost environment
- Normalised EBITDA down 3.1% on FY08 – reflecting a very soft 1st half FY09 result
- FY08 includes \$170m impairment charge on Dairy New Zealand business
- Interest expense impacted by higher margin facilities – mitigated by tight working capital management
- Tax expense increase reflects back-dated R&D included in FY08 (effective tax rate 20.1% FY09 versus 16.7% in FY08)

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FY09 Reported Financial Results – Comparison with FY08

A\$m	FY09 Reported*	FY08 Reported*	FY08 Adjusted for Impairment Charge	% Var **
Revenue	2,848.6	2,675.4	2,675.4	6.5%
EBITDA	375.0	370.4	370.4	1.2%
EBIT	319.5	151.5	321.5	-0.6%
Interest expense	90.7	79.7	79.7	-13.8%
Tax expense	46.1	40.3	40.3	-14.4%
OEI	5.6	3.8	3.8	-47.4%
NPAT	177.1	27.7	197.7	-10.4%
EPS (cents)	13.3	2.1	14.9	-10.7%

* These numbers include the Commercial Fats and Oils business
** Variance FY09 reported to FY08 adjusted for impairment charge

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Normalised EBITDA Reconciliation

- Gain on disposal of PP&E
 - FY09; Malaga, Darwin, PNG and Longburn
 - FY08; Malaga and Auckland
- Gain on sale of brands
 - FY09; Diamond/DYC brands, New Zealand
- Discount on acquisition
 - FY08; acquisition of Paradise Foods
- Restructure costs
 - FY09; Fresh businesses in Australia and New Zealand
 - FY08; Regional bakery closures and Mascot exit

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Normalised EBITDA Reconciliation

A\$m	FY09 *	FY08 *
EBITDA (reported)	375.0	370.4
Gain on disposal of PP&E	(11.9)	(11.9)
Gain on sale of brands	(9.4)	-
Discount on acquisition	-	(10.1)
Restructure costs	10.7	27.6
EBITDA (normalised)	364.4	376.0

* These numbers include the Commercial Fats and Oils business

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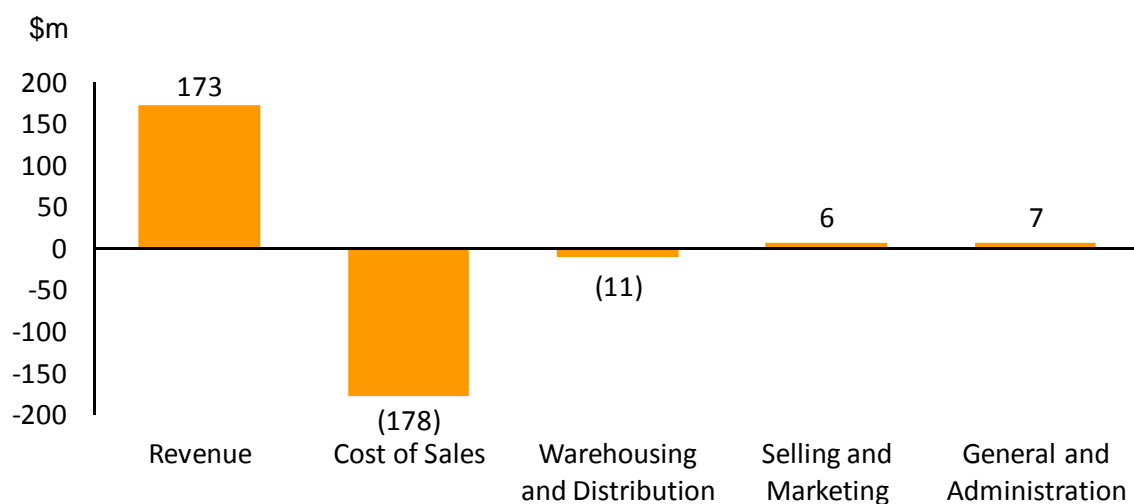
Key Movements FY09 versus FY08

- COGS increases substantially recovered
- Environment of higher fuel costs – mitigated by logistics reorganisation in fresh businesses
- Overhead costs managed at levels below FY08 reflecting the generally tight economic conditions

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Key Movements FY09 versus FY08



These numbers include Commercial Fats and Oils business

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Balance Sheet

- Absolute focus on cash generation
- \$50m reduction in working capital from FY08 to FY09
- Net debt below \$1bn
- Capital expenditure of \$93.6m reflects ramp up in Liquid Groceries project and refined oils and packaged oil products relocation

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Balance Sheet

A\$m	Jun 09 Reported *	June 08 Reported
Trade and other receivables	275.6	290.4
Inventory	175.9	201.0
Net PPE	561.3	527.8
Goodwill and intangibles	1,893.1	1,885.1
Other	(25.7)	28.4
Trade and other payables	(284.2)	(283.2)
Provisions	(66.9)	(75.7)
Capital employed	2,529.1	2,573.8
Net debt	(999.4)	(1,043.4)
Net tax assets	91.2	69.2
Net assets	1,620.9	1,599.6
Working capital	159.7	209.7

* These numbers include the Commercial Fats and Oils business

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Cash Flow

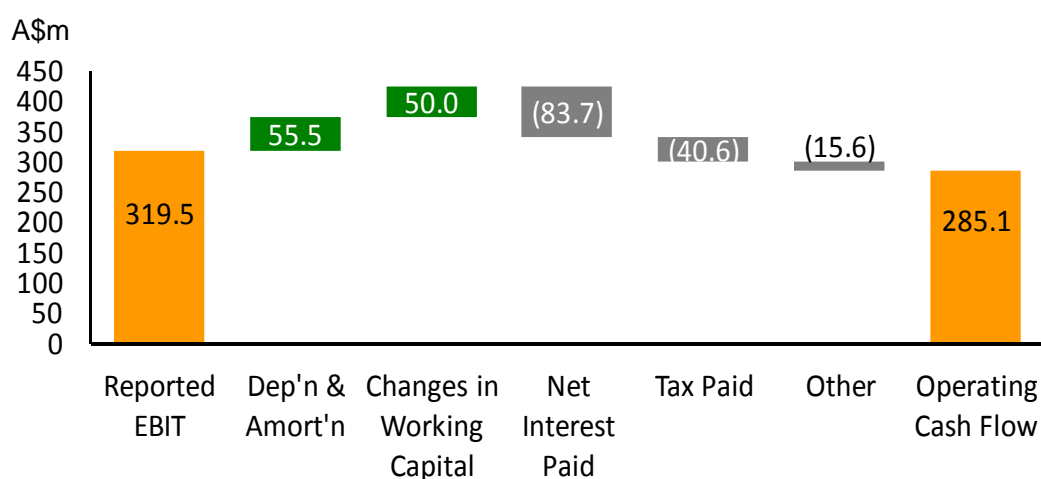
- Very pleasing cash result
- Operating cash flow of \$285m represented a 35.4% increase on FY08 and was a record result
- Cash realisation ratio* of 120% significantly in advance of FY08 84%

* Cash realisation ratio calculated as operating cash flow divided by (NPAT [before OEI] plus depreciation, amortisation and impairment)

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Right

Cash Flow



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Key Ratios

- FY09 EBITDA margins reflect impact of higher commodity costs – mitigated by tight expense control
- Dividend payout ratio maintained at 80%
- ROCE improvement reflects lower capital employed on back of improved working capital result

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Key Ratios

	FY09*	FY08*
Reported EBITDA Margin	13.2%	13.8%
Earnings per share (cents)**	13.3	14.9
Dividends per share (cents)	10.5	13.5
Return on capital employed (ROCE)**	12.6%	12.5%
Return on equity (ROE)**	10.9%	12.4%

*These numbers include the Commercial Fats and Oils business

** Adjusted for impairment charge

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Debt Facilities Profile

- Debt/(Debt + Equity*) 28.9% (30/6/08: 29.9%)
- Debt/EBITDA** 2.67 times (30/6/08: 2.82 times, 31/12/08: 2.93 times)
- Two \$100m bilateral facilities negotiated during FY09
- Begun process of refinancing syndicated debt facility maturing November 2010
- Debt raisings being augmented by DRP

* Equity is grossed up to remove the impact of reverse acquisition accounting (\$842.5m)

**EBITDA is calculated on a rolling 12 month basis

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Debt Facilities Profile

- Current
 - \$100m bilateral Nov 2009
 - \$50m bilateral Mar 2010
- Non-current
 - \$700m syndicated Nov 2010
 - \$420m syndicated July 2011
 - \$50m bilateral Mar 2012
 - \$130m syndicated July 2013

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Dividends

- Final dividend for FY09 6.0c versus 7.5c FY08
- 10.5c in total for FY09 versus 13.5c for FY08
- Payout ratio held at 80%
- Franking level reflects lower tax payments

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Dividends

	DPS (cents)	Franking %	Payout Ratio %
FY09 Final (October 2009)	6.0	20%	78%
FY09 Interim	4.5	31%	80%
FY08 Final	7.5	40%	96%
FY08 Interim	6.0	30%	85%

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Dividend Reinvestment Plan

- DRP remains important part of GF go-forward capital/debt management
- DRP for interim dividend was successful
- Retained \$30m from interim dividend
- Expected to retain \$40m from final dividend

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Dividend Reinvestment Plan

- Activated for final dividend
- 2.0% discount
- 50% underwritten

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GF Fresh Baking – Key Take Outs

Full year earnings impacted by:-

- Higher wheat / fuel costs
- Slowing economy (PLG growth)
- Second half recovery
 - Improved commodity position
 - Successful marketing initiatives
- Increased capital investment on new product initiatives (eg. packaging equipment)

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GF Fresh Baking

A\$m	FY09	FY08	Change
Revenue	983.9	995.1	-1.1%
EBITDA	133.6	142.5	-6.2%
EBITDA (Normalised)*	131.5	145.7	-9.7%
EBITDA Margin (%)*	13.4%	14.6%	-1.3%
Working Capital	-8.9	-8.2	-8.5%
Free Cash Flow	130.0	141.5	-8.1%
Capital Expenditure	41.9	23.6	77.5%

* Normalised EBITDA excludes profit on asset sales and restructuring costs

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GF Fresh Baking – Key Take Outs Australian Market

Innovation driving improved market positions

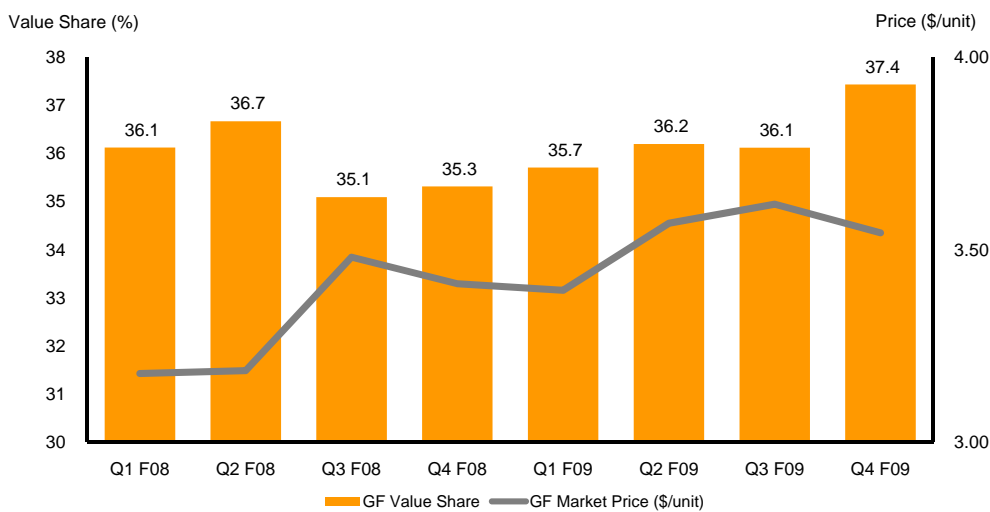
- Successful Lawson's launch
- Helga's Seed Sensations



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GF Fresh Baking - Australia



Source: Aztec

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GF Fresh Baking – Key Take Outs New Zealand Market

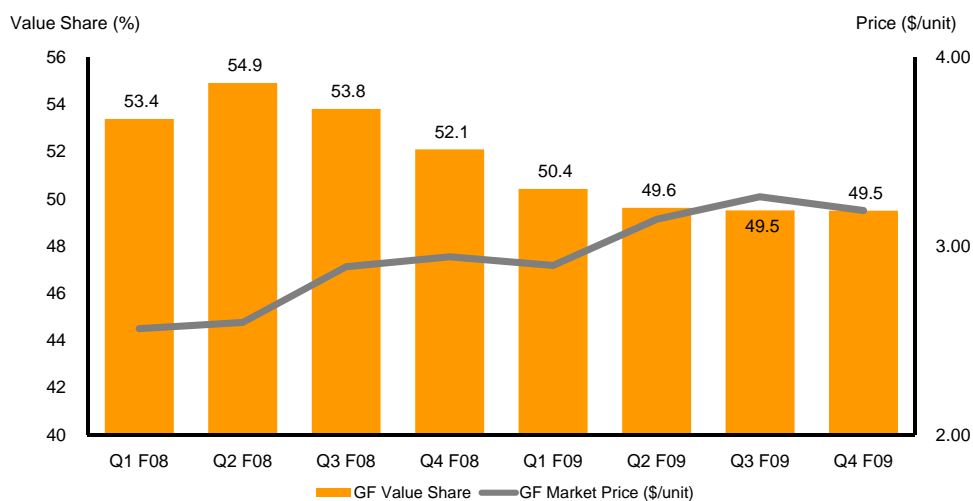
- Weakening NZ economy drives growth of PLG during H1
- Decline in GF market share arrested by Q4



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GF Fresh Baking – New Zealand



Source: Aztec

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GF Fresh Baking – Key Take Outs

Chilled Bakery

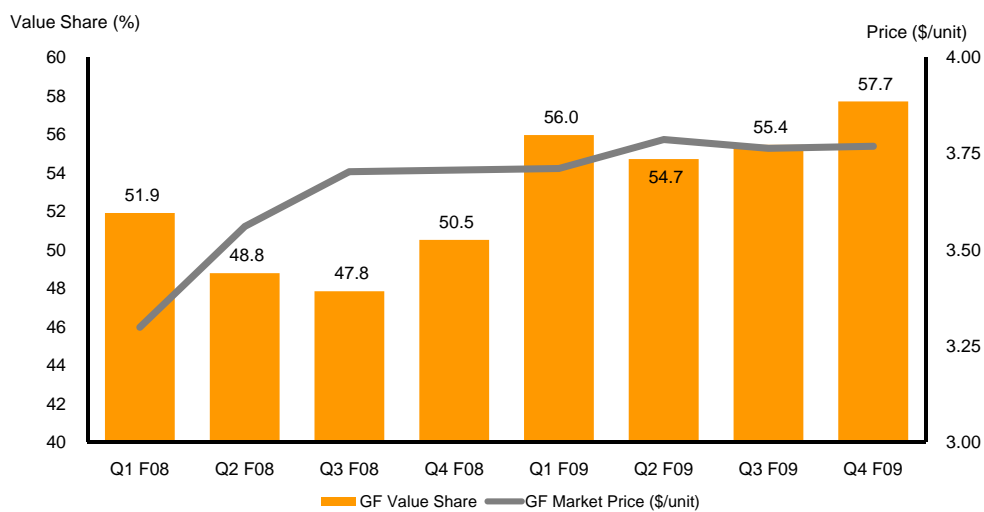
- La Famiglia building a strong franchise in chilled bakery
- Extensive innovation program



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GF Fresh Baking – Chilled Bakery Australia



Source: Aztec

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GF Fresh Baking – Key Take Outs

A great platform for building a world-class consumer bakery business

- FY10 will continue to see heavy investment in marketing and innovation

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GF Fresh Baking – Key Take Outs

Continued good progress in our manufacturing performance

- Plant consolidation
- 6 Sigma program
- Plans underway to broaden our manufacturing capability
- Logistics restructure completed

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GF Dairy & Meats – Key Take Outs

Second half recovery underpinned by

- Improved commodity (milk) costs
- Mix optimisation
- Manufacturing / Supply Chain cost improvements
- Brand / Product initiatives gain traction
- Meat continues to be difficult
- Cash flows remain solid

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GF Dairy & Meats

A\$m	FY09	FY08	Change
Revenue	448.5	469.9	-4.6%
EBITDA	43.6	42.1	3.6%
EBITDA (Normalised)*	44.3	42.7	3.7%
EBITDA Margin (%)*	9.9%	9.1%	0.8%
Working Capital	15.9	28.9	-45.0%
Free Cash Flow	51.9	47.0	10.4%
Capital Expenditure	7.7	12.4	-37.9%

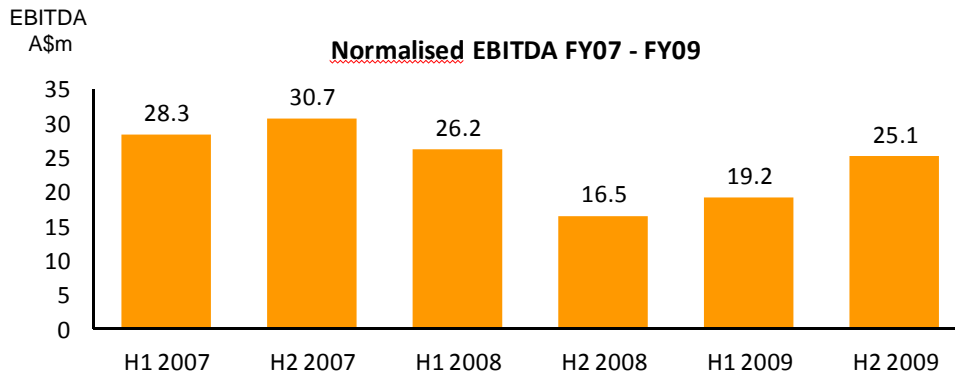
* Normalised EBITDA excludes profit on asset sales and restructuring costs

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GF Dairy & Meats – Key Take Outs

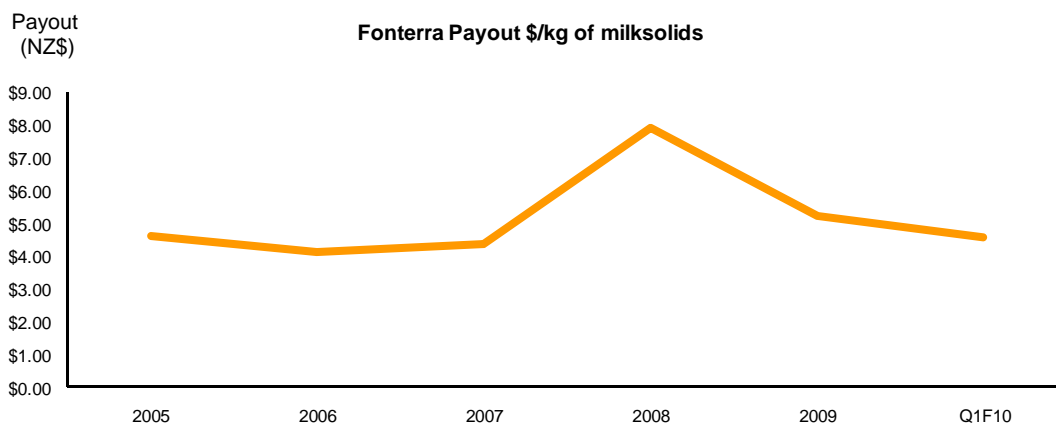
Strong H2 provides momentum for FY10



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Milk Solids Pricing



Note – this chart based on final payout for the year

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GF Dairy & Meats – Key Take Outs

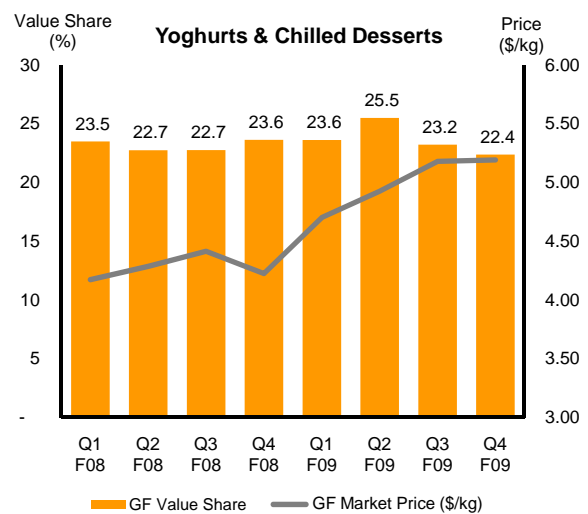
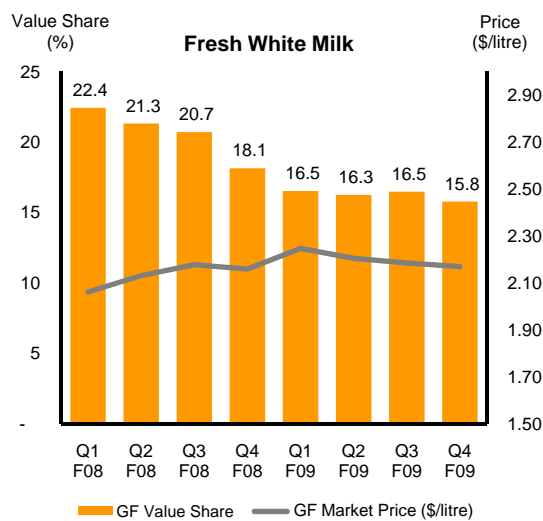
Major focus on mix optimisation

- Flight from ‘profitless volume’
- H2 CBM margin up 5.3 points on H1
- Improved promotional efficiency
- SKU rationalisation

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GF Dairy & Meats



Source: Aztec

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GF Dairy & Meats – Key Take Outs

Building Meadow Fresh into a power brand

- FY09 Revenue NZ\$190.6m
- Product and packaging innovation
- Aligning milk and yoghurt innovation strategies
- Significant advertising support for FY10
- Geographic expansion

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GF Dairy & Meats

FY09 product innovation – ‘getting in shape’



FY10 product innovation – ‘growing the category’



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GF Dairy & Meats – Key Take Outs

Manufacturing / logistics optimisation

- Program well progressed
- Focus on capability enhancement

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GF Dairy & Meats – Key Take Outs

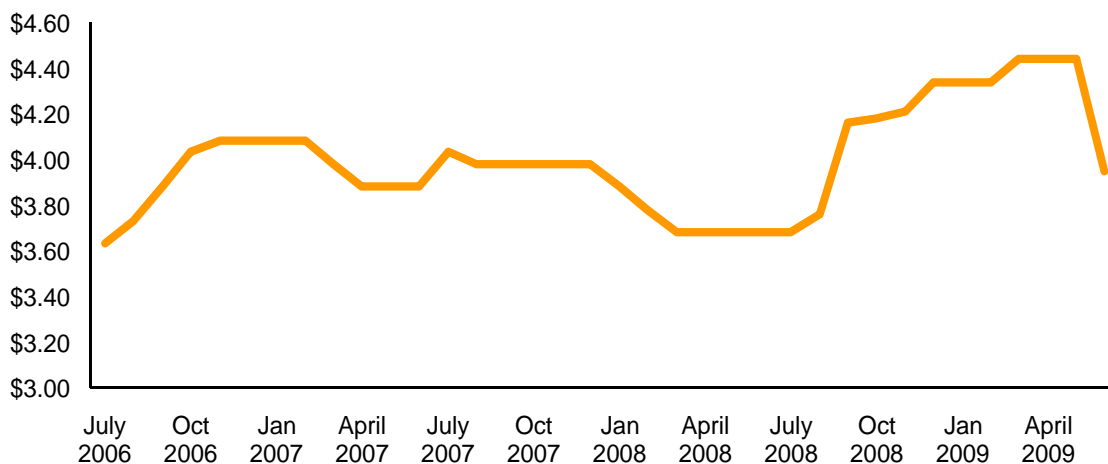
- Manufacturing / logistics optimisation
 - Program well progressed
 - Focus on capability enhancement
- Meats re-engineering
 - Input costs starting to ease
 - New product initiatives
 - Opportunities to improve manufacturing cost base

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GF Dairy & Meats

North Island Pig Schedule (NZ\$/kg)



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GF Commercial – Key Take Outs

Profitability impacted by difficult trading conditions

- Extreme commodity volatility
- Competitive discounting to move high cost inventory
- Soft customer demand
- Q4 Food Service recovery
- Good progress on working capital management
- Solid cash flow

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GF Commercial

A\$m	FY09	FY08**	Change
Revenue	538.1	506.4	6.3%
EBITDA	51.6	61.8	-16.6%
EBITDA (Normalised)*	52.2	70.4	-25.9%
EBITDA Margin (%)*	9.7%	13.9%	-4.2%
Working Capital	70.6	89.2	-20.9%
Free Cash Flow	59.5	30.7	93.8%
Capital Expenditure	12.9	15.4	-16.2%

* Normalised EBITDA excludes profit on asset sales and restructuring costs

** The export segment has been reclassified from GF Commercial to GF Asia Pacific in FY09 and comparatives have been restated

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GF Commercial – Key Take Outs

Good progress on revenue initiatives

- Food Service Rewards Program
- Launch of 'Oilstream'

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GF Commercial – Key Take Outs

Manufacturing consolidation completed

- Murarrie / Footscray capital program
- Mascot oils / fats closure (July 2009)

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GF Asia Pacific – Key Take Outs

Strong revenue growth

- Price recovery against commodity cost increases
- Expansion of China business
- Significant improvement in earnings
 - Asian business returns to profit
 - Successful establishment of China manufacturing base
 - Indonesian joint venture
- Strong cash flows

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GF Asia Pacific

A\$m	FY09	FY08**	Change
Revenue	348.7	279.4	24.8%
EBITDA	53.0	40.0	32.5%
EBITDA (Normalised)*	51.3	40.0	28.3%
EBITDA Margin (%)*	14.7%	14.3%	0.4%
Working Capital	35.5	45.2	-21.5%
Free Cash Flow	59.5	21.1	182.0%
Capital Expenditure	2.5	3.1	-19.4%

* Normalised EBITDA excludes profit on asset sales

** The export segment has been reclassified from GF Commercial to GF Asia Pacific in FY09 and comparatives have been restated

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GF Asia Pacific – Key Take Outs

Well positioned for future growth

- Improved commodity outlook
- Competitive delivered cost base
 - Dairy (NZ)
- Category expansion
 - Bakery / Dairy / Snacks

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GF Home Ingredients – Key Take Outs

Strong revenue growth

- Annualised impact of biscuit investment (Paradise)
- Solid earnings despite commodity cost pressures
- Includes \$9.4m profit on sale of brands
- Increased capital expenditure on biscuit automation and new Erskine Park facility

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GF Home Ingredients

A\$m	FY09	FY08	Change
Revenue	529.4	424.6	24.7%
EBITDA	108.7	101.8	6.8%
EBITDA (Normalised)*	99.3	94.3	5.3%
EBITDA Margin (%)*	18.8%	22.2%	-3.4%
Working Capital	48.6	55.6	-12.6%
Free Cash Flow	96.0	94.9	1.2%
Capital Expenditure	17.6	1.2	-

* Normalised EBITDA excludes profit on brand sales and restructuring costs

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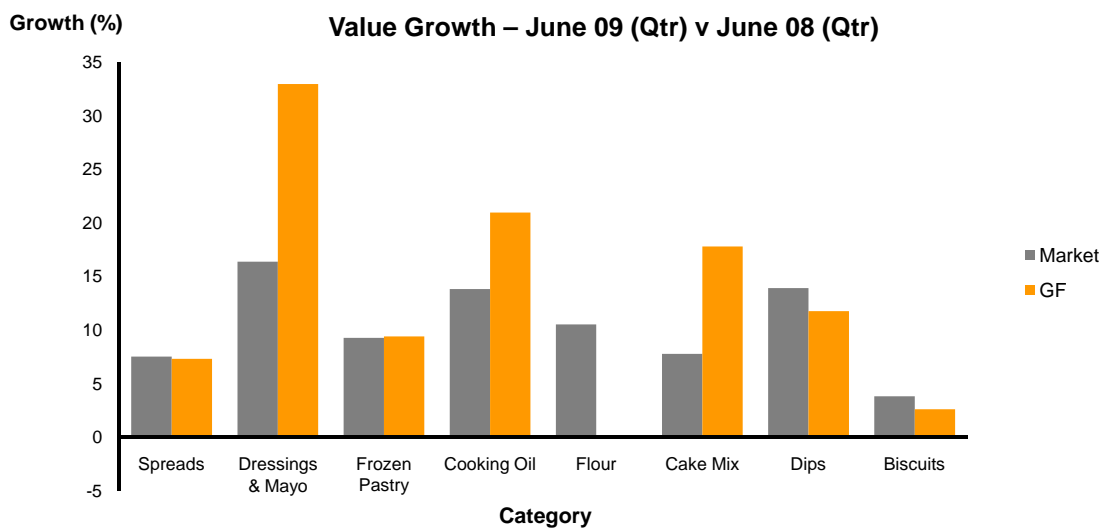
GF Home Ingredients – Key Take Outs

- Robust category growth signals a return to home cooking

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GF Home Ingredients



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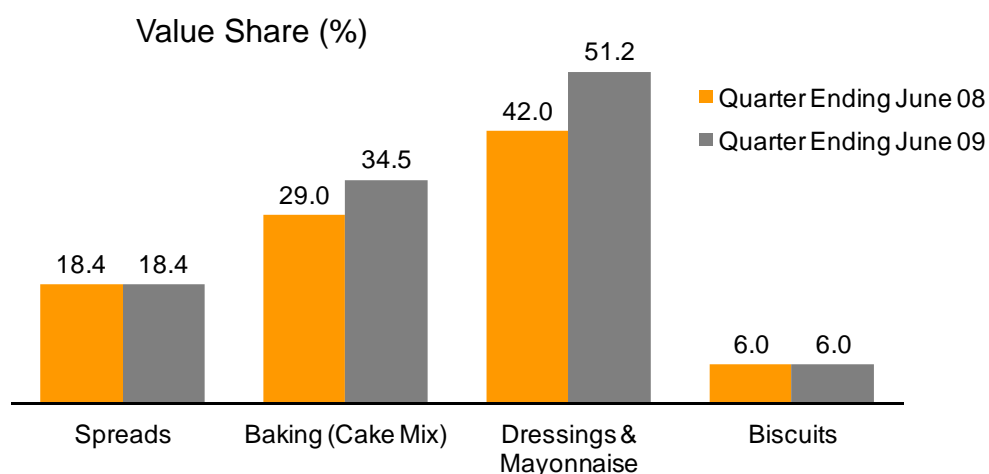
GF Home Ingredients – Key Take Outs

- Solid market shares underpinned by:
 - Strong product development program
 - Targeted advertising support of key brands
 - Strong customer engagement

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GF Home Ingredients



Source: Aztec

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GF Home Ingredients – Key Take Outs

Biscuit expansion on plan

- STAGE 1 (FY09/FY10) “...getting the basics right!”
 - Integration complete
 - Carole Park (manufacturing) systems in place
 - Automation program well advanced
- STAGE 2 (FY10/FY11)
 - Relaunch portfolio(s)
 - Veri Deli

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GF Home Ingredients – Key Take Outs

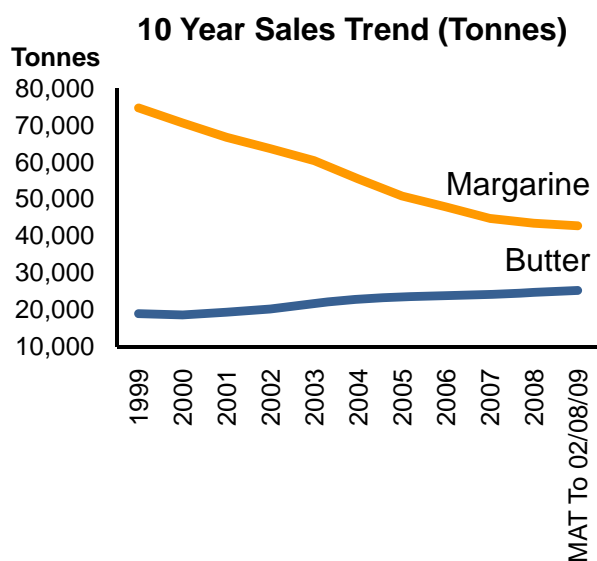
Investing in scale categories

- Spreads represent a major opportunity
 - Category size \$698m
- Goodman Fielder has a strong portfolio
 - Meadow Lea, Logical, Olive Grove
- Significant marketing investment in FY10

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Meadow Lea – The Healthy Alternative



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GF Home Ingredients – Key Take Outs

Manufacturing optimisation

- Erskine Park development well advanced
- Commissioning to be completed Dec 2009

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Vision ... 5 years

- Australasia's leading food company characterised by:-
 - A product range of quality, nutritious foods that are used everyday
 - An outstanding portfolio of iconic local brands
 - Most efficient local production assets
 - A deep knowledge of, and intimacy with, our customers and consumers
 - Lowest cost supply chain
- Supported by World-Class capabilities in:
 - Lean manufacturing
 - 'Fresh' logistics
 - Brand management and product innovation

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“A great portfolio of iconic local brands...”

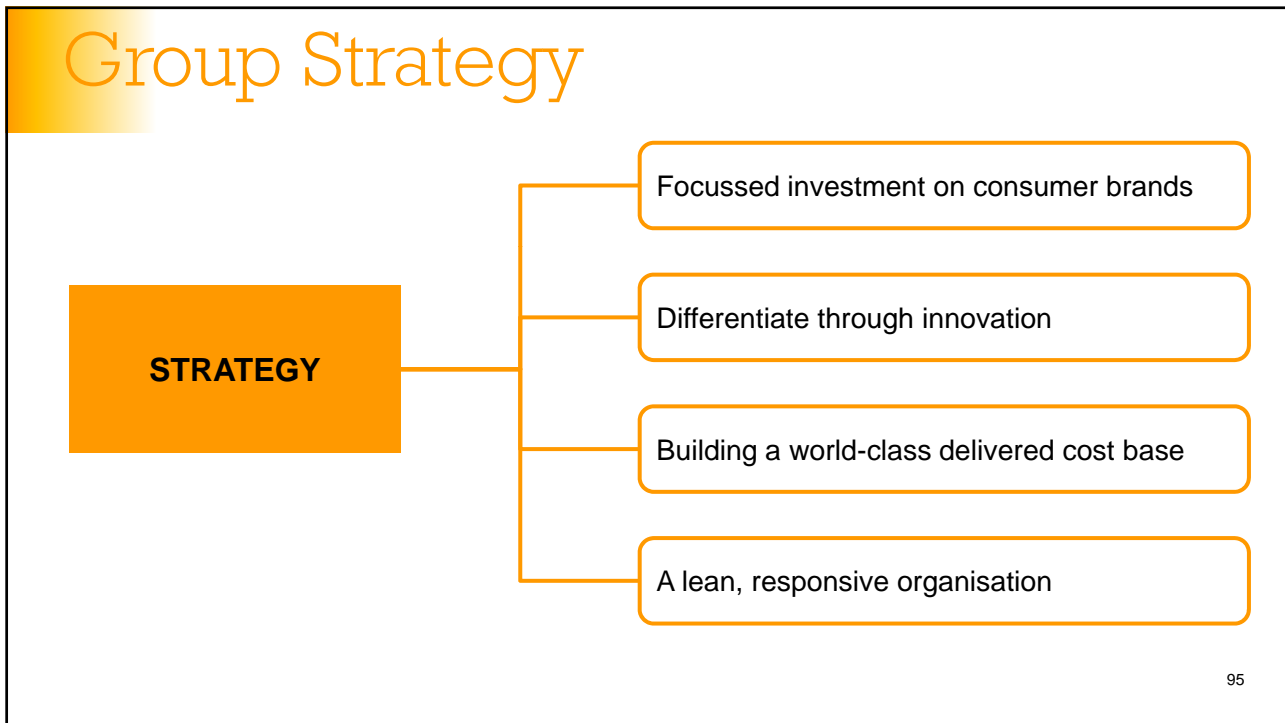


MeadowLea



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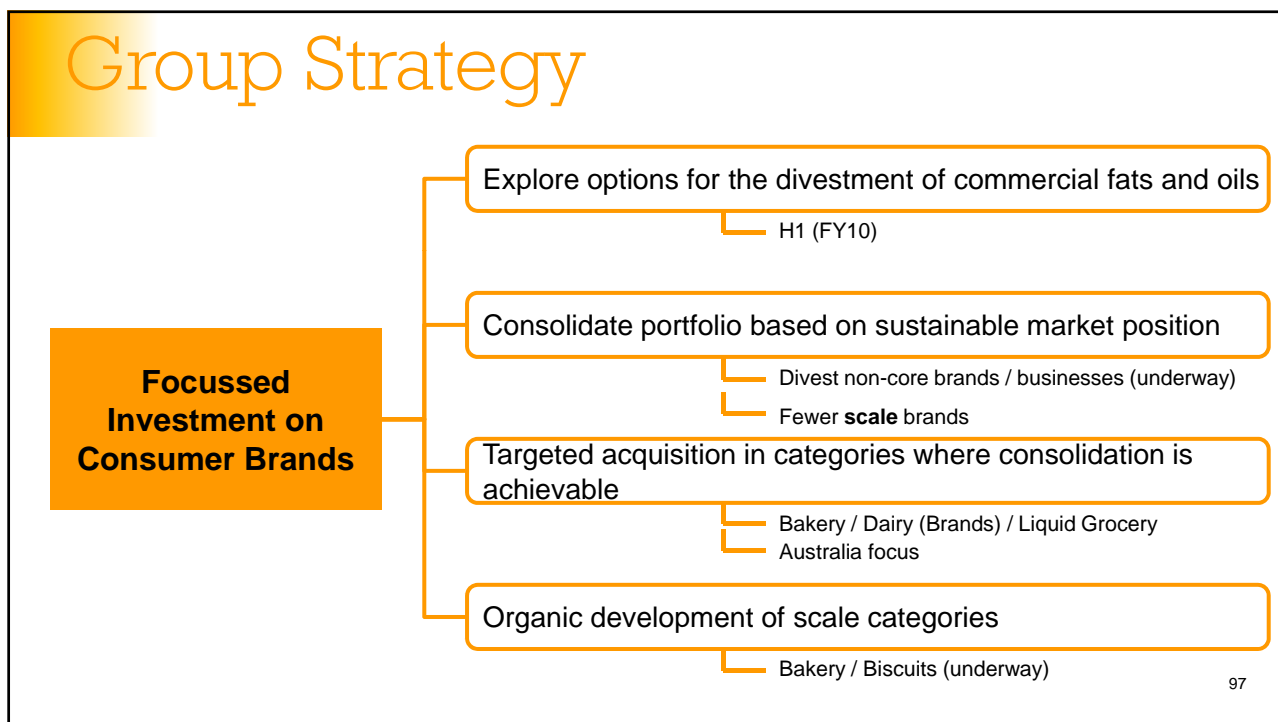
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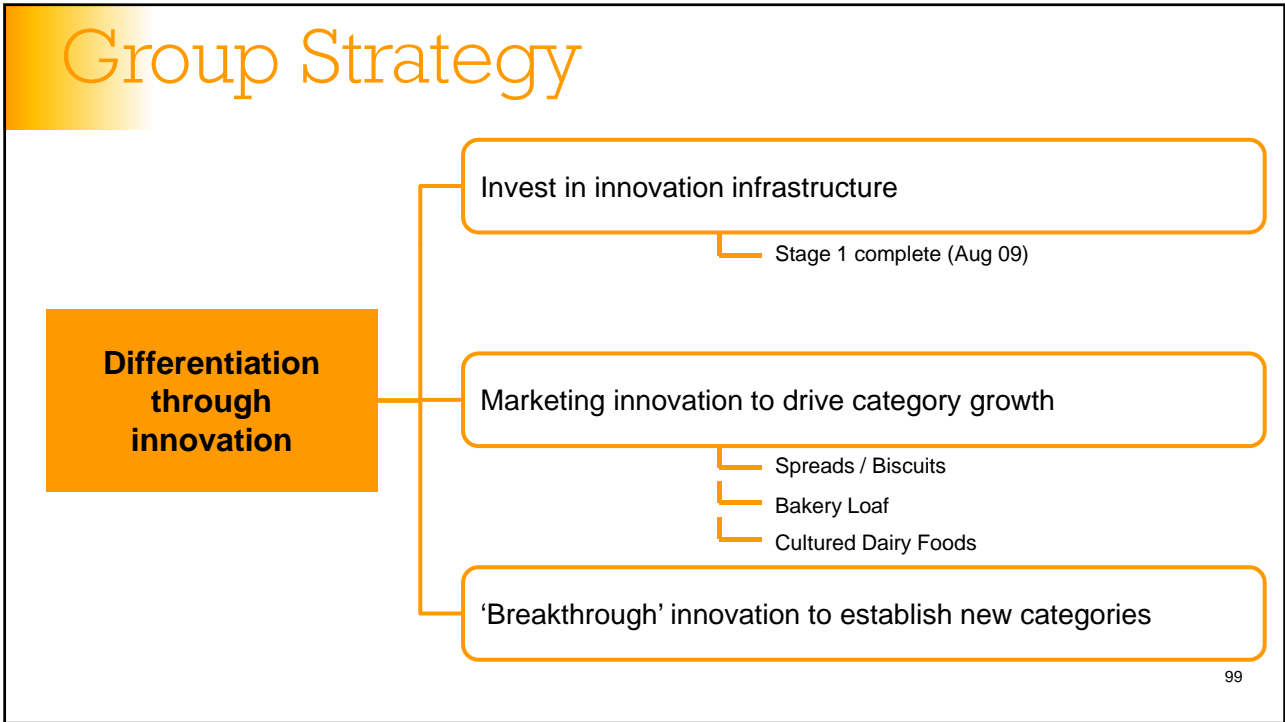
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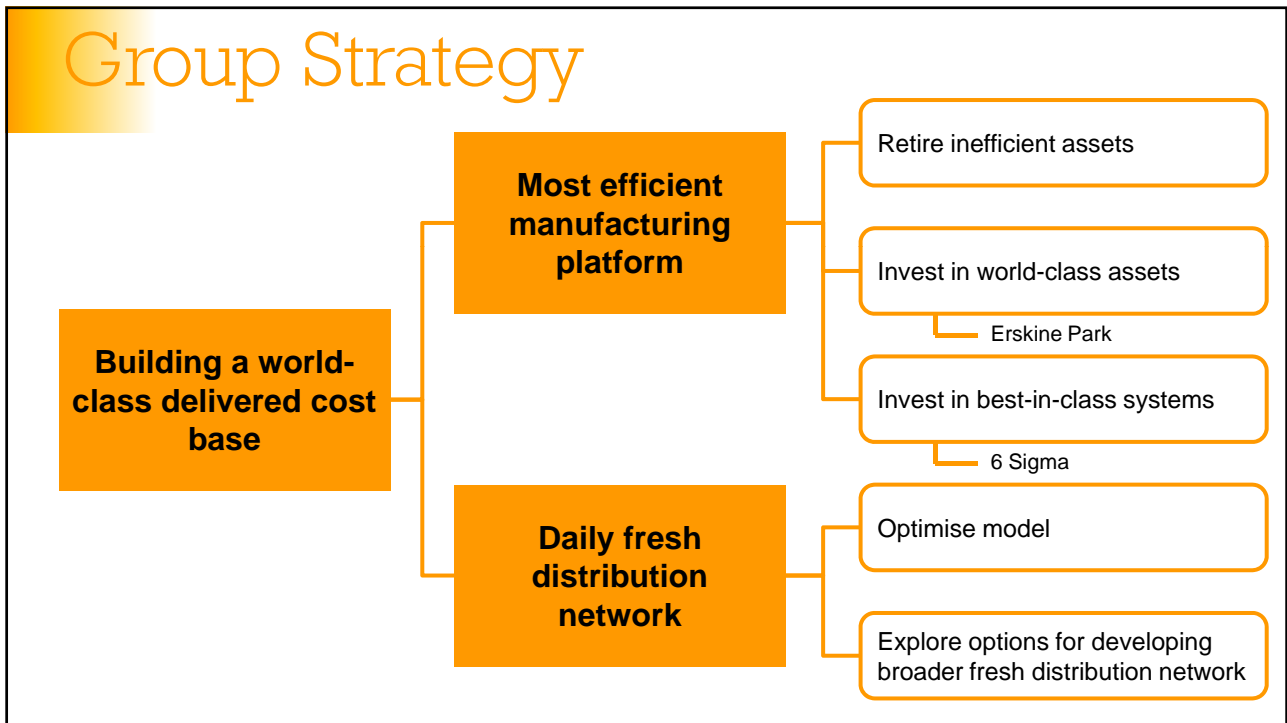
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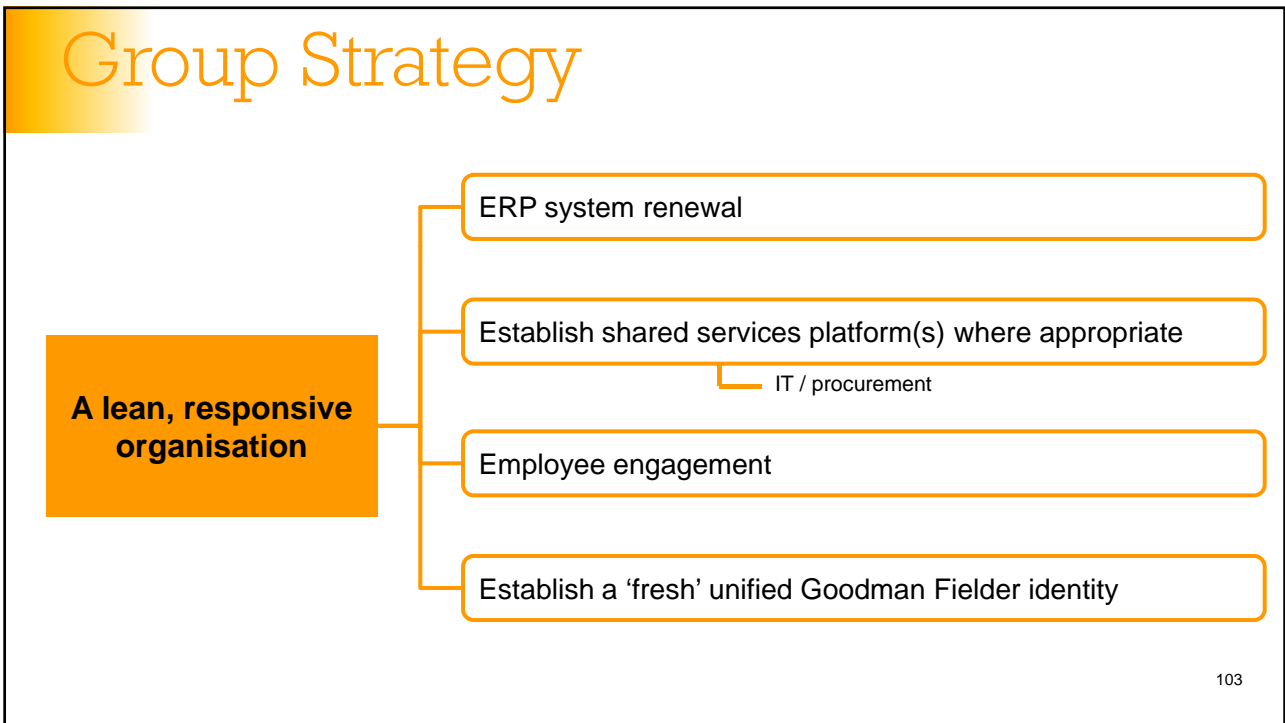
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Outlook

- FY10 outlook encouraging
- Commodities remain volatile, however should track lower than FY09 (av)
- Manufacturing cost improvements fully realised during H2 (FY10)
- Growth from innovation with a strong H1 bias on marketing support
- Capex of \$90m – \$100m (excluding acquisitions)
- Continuing strong cash flows

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