

## ASX/NZX ANNOUNCEMENT

10 December 2009

### GOODMAN FIELDER DIVESTS EDIBLE FATS AND OILS OPERATIONS

Goodman Fielder Limited announced today that it has entered into an agreement to sell its Commercial division edible fats and oils operations to Cargill.

Cargill is an international producer and marketer of food, agricultural, financial and industrial products and services. Cargill's operations in Australia include oilseed processing and further value adding, grain and oilseed merchandising, bulk handling, flour milling through its Allied Mills joint venture, and beef processing.

In making the announcement, Goodman Fielder's Managing Director, Peter Margin, said today, "The business, which processes edible fats and oils and supplies food manufacturers and wholesalers in Australia and New Zealand, will be divested for a price of A\$240 million. This is a significant premium to the carrying value of the business.

"As a consequence of our strategic decision earlier this year to focus on our consumer brand portfolio, we decided that, as a commercial industrial business, it did not fit comfortably with our major strategic focus, and that therefore the funds employed in this business would be better utilised elsewhere.

"I am pleased that Cargill will be taking ownership of the business as this will be an excellent outcome for the business, for Goodman Fielder and for our loyal and hardworking people who will find a much better fit for their skills in a more comparable business. I want to thank them sincerely for their excellent work under Goodman Fielder ownership and I wish them well for their future with Cargill."

The sale agreement includes a 10 year supply agreement whereby Cargill will supply refined fats and oils products to Goodman Fielder in multiple formats for Goodman Fielder's Home Ingredients brands and businesses.

"Goodman Fielder is very pleased to have Cargill as a long term supplier partner and we look forward to working closely together," Mr Margin said.

The asset sale includes the Commercial business's four fats and oils refining facilities. Goodman Fielder will retain title to the land at the Brisbane facility, subject to an extended lease back to Cargill. Goodman Fielder's New Zealand flour milling operations are not part of the sale and the company will also retain ownership of the part of its food service operations that does not relate to fats and oils.

“The sale of these assets will allow the company to focus on our core business which is the manufacturing and marketing of everyday branded consumer foods. We will now concentrate on enhancing the strength of our outstanding portfolio of retail consumer brands,” Mr Margin said.

The sale is subject to a number of regulatory conditions, including ACCC approval.

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### **Analysts**

There will be a dial-in conference held at 11am today (Sydney time) with David Goldmith (Chief Financial Officer, Goodman Fielder Limited) and Ian Greenshields (Director Corporate Affairs, Goodman Fielder Limited).

Conference ID: 219321

Please phone:

Sydney Attendees: 02 9423 1645

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### **Media**

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*Goodman Fielder is Australasia's leading listed food company. The company has an excellent portfolio of well known consumer brands in some of Australia's largest grocery categories, including Meadow Lea, Praise, White Wings, Pampas, Mighty Soft, Helga's, Wonder White, Vogel's (under licence), Meadow Fresh and Irvines. Our products cover every meal, including breakfast, lunch, dinner and snacks. We produce bread, milk, margarine, flour, dressings, condiments, mayonnaise, frozen pastry, cake mix, pies, savouries, smallgoods, chilled and frozen pizza, desserts, sauces, vinegar and cooking oils. Goodman Fielder is also the largest supplier of edible fats and oils to Australian and New Zealand food manufacturers and wholesalers and the largest supplier of flour to New Zealand commercial customers.*