

7 April 2011

Announcements Officer
Company Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Listed Company Relations
New Zealand Exchange Limited
Level 2, NZX Centre
11 Cable Street
WELLINGTON
NEW ZEALAND

Goodman Fielder Limited – Chairman’s Letter to Shareholders

In accordance with the Listing Rules, I attach a copy of a letter from the Chairman which will be despatched to shareholders today.

Yours sincerely,



JONATHON WEST
Company Secretary

7 April 2011

Dear Shareholder,

I am writing to keep you abreast of developments within your company as we progress through a time of change with the imminent retirement of our Chief Executive Officer, Peter Margin, and a number of other executive movements.

Peter has indicated that he wishes to depart at the end of April and your Board is currently undertaking an extensive search for the best possible candidate for the CEO role. I hope to be in a position to make an announcement soon but if there is a gap between Peter's departure and the arrival of his successor, I will manage the company as Executive Chairman during the interval.

I would like to take this opportunity to acknowledge the excellent contribution that Peter has made over the past five years to the ongoing development of your company. He has successfully established the company as a publicly listed entity following the IPO of 2005 and steered the business through the huge increases in commodity input costs during 2007 and 2008. More recently he has contended with the new retailing dynamic in Australia and developed a strong culture within Goodman Fielder of innovation and operational efficiency.

We are also undertaking a search for a new Chief Financial Officer following the departure of the previous incumbent to private equity. I am very pleased that Neil Kearney has stepped into that vacancy on a temporary basis while the search is completed. Neil is a very experienced operator having been formerly CFO at National Foods.

Looking back over the first half of the financial year I think the results have been satisfactory in a very difficult trading environment. Earnings Before Interest Tax Depreciation and Amortisation increased by over 10% while Net Profit After tax was up by just over 3%. The result was less than it might otherwise have been as a result of the strong Australian dollar which reduced our earnings from New Zealand and Asia Pacific when they were translated into Australian currency.

I am pleased to report that further debt reductions have strengthened the company's balance sheet and we believe that our net debt levels which are less than \$900 million are now appropriate to our business. A number of loan facilities were successfully replaced during the half which has extended our debt maturity profile from 1.6 years to 4.0 years.

A distinguishing feature of Goodman Fielder is the very robust cash flow that the company generates and the first half was no exception with a record Operating Cash Flow of over \$123 million. This strength underpins our ability to continue our dividend payout ratio of around 80%.

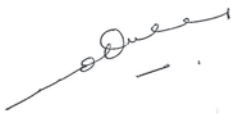
The board was pleased to announce an Interim Dividend of 5.25 cents per share, franked at 30% in Australia. This was payable on 7 April and your cheque or payment advice is included with this letter.

Our Dividend Reinvestment Plan was continued for this dividend, giving shareholders the opportunity to reinvest in the company without incurring brokerage or other costs. Shares are bought on-market to avoid diluting existing shareholders.

I would like to take this opportunity to commend the management and employees on the way they have managed the company through a series of unprecedented natural disasters in Australia and New Zealand. Two earthquakes in Christchurch, floods in north Queensland, Brisbane and Victoria and a Queensland cyclone have all put immense pressure on our people and our earnings, but our people have performed magnificently and continue to do so.

Looking forward to the remainder of the financial year, the company continues to confront commodity cost pressures and significant price volatility, and the challenge for us is to ensure that we recover these increases in the marketplace. This will be even more difficult given the extreme level of competition and price discounting that is presently occurring in the retail sector. Currency translation will continue to hurt our earnings from outside Australia while the dollar remains at the current high level.

Yours sincerely,



Max Ould
Chairman