

## ASX/NZX ANNOUNCEMENT

Goodman Fielder Limited  
ABN 51 116 399 430

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T2, 39 Delhi Road North Ryde NSW 2113 Australia  
Locked Bag 2222 North Ryde NSW 2113 Australia  
Tel: 61 2 8899 7000 Fax: 61 2 8026 4200  
[www.goodmanfielder.com.au](http://www.goodmanfielder.com.au)

### GOODMAN FIELDER TO SELL INTEGRO BUSINESS FOR A\$170M

- **Goodman Fielder enters into agreement to sell Integro for A\$170 million to a consortium comprising GrainCorp and Gardner Smith**
- **Profit on sale before tax estimated to be approximately A\$25 million**
- **Significant reduction in debt resulting in a stronger balance sheet**
- **Consistent with Goodman Fielder's strategy to optimise portfolio and further strengthen group financial position**
- **Long term partnership with GrainCorp ensures supply of oil and finished goods to Goodman Fielder**

Goodman Fielder today announced that it has entered into an agreement to sell its commercial oils business, Integro, to a consortium comprising GrainCorp and Gardner Smith for A\$170 million (including net cash proceeds of Integro receivables and payables).

The transaction is expected to be completed in early October 2012, subject to the satisfaction of conditions, including employee consultation under applicable New Zealand requirements. By this time it is expected that GrainCorp will have completed its acquisition of Gardner Smith.

The sale does not include the out of home business in Australia, or Goodman Fielder's Asia Pacific fats and oils business.

Goodman Fielder Chief Executive Officer, Chris Delaney, said the transaction was consistent with the company's strategy to optimise its portfolio by focusing on its core categories.

"We are very pleased with the outcome of this transaction. As we first indicated to the market in November 2011, Integro is a well-performing business; however, given our focus on retail branded categories, it is not core to Goodman Fielder.

"This divestment enables us to concentrate our investment and internal resources on our core categories and brands. We have also structured a long term supply partnership with GrainCorp to ensure Goodman Fielder maintains an efficient supply of strategic raw materials."

"The proceeds of the sale also ensure Goodman Fielder's financial position is strengthened further as part of our continuing focus on prudent capital management."

Concurrent with the sale of the Integro business, Goodman Fielder will enter into a long term partnership with GrainCorp for the supply of oil and finished goods to Goodman Fielder. Over the medium term, this is expected to further enhance Goodman Fielder's business by delivering a more efficient manufacturing supply chain.

"We have a strong existing relationship with Gardner Smith and GrainCorp, who together offer a secure, vertically integrated partner for the ongoing supply of edible fats and oils to our business," said Mr Delaney.

"This transaction is also a positive result for the staff at Integro. The combination of GrainCorp's expertise along the grain supply chain and Gardner Smith's oils expertise offers significant opportunities to support Integro's continued growth in the region," Mr Delaney said.

Goodman Fielder expects to book an estimated profit on the sale of \$25 million before tax.

Net proceeds of the sale of approximately \$165 million will be used primarily to reduce debt and further strengthen Goodman Fielder's balance sheet.

"We are pleased to have made further progress in executing our strategic plan and delivering on the objectives we previously outlined to the market," said Mr Delaney.

"We look forward to outlining our strategy in greater detail on 3 September at our investor day."

Greenhill Caliburn acted as financial advisor and Freehills and Bell Gully acted as legal advisors to Goodman Fielder.

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**For further information contact:**

Martin Cole  
Director, Corporate Affairs  
+61 2 8899 7272

*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 MeadowLea, 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 flour to New Zealand commercial customers.*