Goodman Fielder Limited
ABN 51 116 399 430

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Tel: 61 2 8899 7000 Fax: 61 2 8026 4200
www.goodmanfielder.com.au

13 February 2013

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

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

Goodman Fielder Limited 31 December 2012 Half Year Report

I attach the following documents in relation to the half year ended 31 December 2012:

- Appendix 4D – Half Year Report;
- Commentary on results for the period (ASX/NZX Announcement); and
- Half Year Financial Report, including the Directors' Report, Financial Report and Independent Auditor's Review Report.

The attached documents comprise the half year results information required by ASX Listing Rule 4.2A and NZSX Listing Rule 10.4.2. The information should be read in conjunction with the Goodman Fielder Limited 2012 Annual Report.

The analyst briefing in connection with the half year results will follow shortly.

The attached information will be posted to Goodman Fielder's website once released to the market.

Yours sincerely,

JONATHON WEST
Company Secretary

GOODMAN FIELDER LIMITED

ABN 51 116 399 430

Appendix 4D

Half year financial report
Including additional Appendix 4D disclosures

Period ended 31 December 2012

ASX/NZX Code: GFF

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HALF YEAR REPORT
PERIOD ENDED 31 DECEMBER 2012

RESULTS FOR ANNOUNCEMENT TO THE MARKET

(All comparisons are to half year ended 31 December 2011)

Name of entity

GOODMAN FIELDER LIMITED

ABN 51 116 399 430

Reporting period: Half year ended 31 December 2012

	Direction of movement	% Change	2012 $A Million	2011 (1) $A Million
Revenue from ordinary activities	Down	9.0%	**1,172.1**	**1,288.0**
Revenue from continuing operations (2)	Down	4.8%	**1,080.6**	**1,135.1**
Profit from continuing operations after tax attributable to members	Up	127.0%	**34.5**	**15.2**
Net profit for the period attributable to members	Up	137.2%	**51.0**	**21.5**
Net tangible asset backing per ordinary share	Up	147.4%	**0.9 cents**	**(1.9) cents**

(1) The 2011 comparative figures have been restated to separately disclose the revenues and profits arising from the discontinued operations, being Integro Foods and New Zealand Milling businesses.

(2) On 16 February 2012 Goodman Fielder Limited announced its intention to sell the Integro Foods business and the New Zealand Milling business, and initiated an active program to locate a buyer for each business and complete the sale. The Integro Foods business and the New Zealand Milling business are reported in this financial report as discontinued operations. On 2 October 2012, Goodman Fielder completed the sale of the Integro Foods business to a consortium comprising GrainCorp and Gardner Smith. On 7 December 2012, Goodman Fielder entered into an agreement with Nisshin Flour Milling Inc and its parent, Nisshin Seifun Group Inc to sell its Champion Flour milling business in New Zealand for NZ$51 million. The transaction is expected to be completed in February 2013, subject to satisfaction of conditions. Financial information relating to the discontinued operations for the period is set out in note 2 and note 5 of the 2013 Half Year Financial Report.

DIVIDENDS

	Amount per security	Australian franked amount per security	New Zealand imputation amount per security
Dividends on ordinary shares			
Interim dividend FY13	Nil	Nil at 30%	Nil at 28%
Final dividend FY12	Nil	Nil at 30%	Nil at 28%
Interim dividend FY12	Nil	Nil at 30%	Nil at 30%

It is not proposed to pay an interim dividend in connection with the reporting period, as the Company continues to conserve cash to implement restructuring and strategic initiatives, maintain a strong balance sheet and provide financial flexibility.

EXPLANATION OF RESULTS

Please refer to the attached ASX/NZX Announcement for an explanation of the results.

This report, the attached ASX/NZX Announcement and the attached half year financial report (including the directors' report and the independent auditor's review report) contain all the information required by ASX listing rule 4.2A and NZSX listing rule 10.4.2. This information should be read in conjunction with the Goodman Fielder Limited 2012 Annual Report.

OTHER NZX DISCLOSURES

There have been no major changes or trends in the Company's business subsequent to the end of the financial period. There have been no significant changes in the value of assets.

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ASX/NZX ANNOUNCEMENT

13 February 2013

GOODMAN FIELDER HALF YEAR RESULT FY13

RESULTS *(A$m) unless specified*	**1HFY13***	1HFY12	Variance
REPORTED[1]			
REVENUE	**1,172.1**	1,288.0	(9%)
EBITDA	**138.2**	117.9	+17%
EBIT	**105.1**	83.8	+25%
NPAT	**51.0**	21.5	+137%
EPS	**2.6c**	1.4c	+86%
SIGNIFICANT ITEMS			
Pre-tax[2]	**9.8**	(30.5)	+132%
Post-tax[3]	**9.8**	(21.4)	+146%
NORMALISED[4]			
EBITDA	**128.4**	148.4	(13%)
EBIT	**95.3**	114.3	(17%)
NPAT	**41.2**	42.9	(4%)
Net free cash flow[5]	**149.9**	83.0	+81%
Net debt[6]	**498.0**	769.7	reduced by 35%
Leverage ratio[7] (Net debt/EBITDA)	**1.85**	2.58	improved by 28%
Interest cover[7] (EBITDA/Net Interest)	**3.73**	3.09	improved by 21%

*Note - the first half of FY13 included three months' earnings contribution from Integro (which was sold on 2 October 2012) compared to six months in the prior corresponding period.

1 Reported includes significant items.
2 Pre-tax significant items include restructure costs ($4.7m), Provision for asset sale ($2.3m), Profit on sale of assets ($5.3m) and Gain on sale of Integro ($11.5m).
3 Post-tax significant items include restructure costs ($3.3m), Provision for asset sale ($2.3m), Profit on sale of assets ($4.5m) and Gain on sale of Integro ($10.9m)
4 Normalised result excludes significant items. Refer to page 11 for basis of preparation of non-IFRS financial information.
5 Net free cash flow represents receipts from customers less payments to suppliers and employees
6 Net debt excludes an unrealised FX gain of $63.0m (1HFY12: gain of $56.3m) relating to the revaluation of the company's US dollar private placement debt
7 Calculated in accordance with the group's debt facility covenants

RESULTS OVERVIEW

- **Reported Net Profit After Tax of $51.0m – increase of 137 per cent**
  - includes gain on Integro sale and significantly lower restructure costs compared to previous corresponding period
  - reflects lower net interest expense from strengthened balance sheet
  - earnings per share up 86 per cent to 2.6 cents per share
  - further increase in Asia Pacific earnings, improvement in NZ Dairy result demonstrates diversity of group earnings

- **Normalised Net Profit After Tax $41.2m – down 4 per cent**
  - reflects lower normalised EBIT partially offset by reduced net interest expense
  - revenue down 9 per cent; normalised EBIT down 17 per cent reflecting lower volumes and pricing, primarily Baking/Grocery Australia – note first half of FY13 included three months' contribution from Integro (which was sold on 2 October 2012) compared to six months in the prior corresponding period
  - first half EBIT includes $10m increased reinvestment in DME/provisions for staff incentives (subject to financial performance) to create sustainable earnings growth

- **Group financial position strengthened further**
  - net debt reduced by 35 per cent to $498m
  - improved credit metrics
    - Leverage Ratio (Net debt/EBITDA) 1.85 times vs 2.58
    - Interest cover (EBITDA/Net Interest expense) 3.73 times vs 3.09
  - strong focus on working capital management assists in significant improvement in free cash flow by all operating divisions – Group net free cash flow up 81 per cent to $150 million

- **Continued delivery of key milestones of Strategic Plan**
  - improved alignment with retail partners results in price increases related to 'cost to serve' model in Baking, recovery of input costs in Baking/Grocery
  - project Renaissance ahead of schedule to achieve $100m in annualised cost savings by FY15
  - successful completion of non-core divestments provides greater focus of funding and resources on core categories
  - commenced reinvestment in branded core category innovation to drive top line growth

- **Board has revisited the company's dividend policy at the half year**
  - In light of the significant progress already made to strengthen the group's financial position and the achievements being delivered in the strategic plan to provide more sustainable earnings outlook for the group, it is the Board's current intention to resume the payment of dividends at the full year, subject to trading conditions and market outlook
  - Going forward, the Board expects to pay 50-80 per cent of Net Profit After Tax as dividends

COMMENTARY ON FIRST HALF RESULTS – CONTINUING TO DELIVER STRATEGIC PRIORITIES

Goodman Fielder CEO, Chris Delaney, said he was pleased with the continued progress the company had made in the first half in delivering the group's strategic plan.

"This interim result is in line with our expectations in delivering our strategic objectives and also demonstrates the growing diversity of our earnings in our three core markets across the region.

"We have delivered improved earnings in our Asia Pacific business, while a strong increase from our Dairy business resulted in earnings from our New Zealand operations being in line with the previous corresponding period.

"Retail trading conditions in Australia continue to be very challenging, resulting in lower volume and pricing which impacted our first half performance. However, the progress we are making, particularly in securing price increases in our Baking and Grocery divisions, is expected to result in improved performance in the second half of the year.

"We improved the alignment with our key retail partners which resulted in the successful agreement to implement meaningful price increases related to the 'cost to serve' model in Baking in Australia and also price increases to recover input cost inflation in our Baking and Grocery divisions in Australia and New Zealand.

"We also continue to deliver on the key strategic milestones we have set for ourselves and communicated to the market.

"This includes the necessary reinvestment in our brands and our people to grow our revenue and support our medium term growth objectives. That has resulted in a 38 per cent increase in direct marketing expenditure (DME) and also a provision for staff incentives in the first half.

"While this increase in DME has impacted our earnings result relative to the previous corresponding period, we believe this is a prudent reinvestment of the cost savings we are generating across the business to support our strategic planning agenda.

"We have also further strengthened our financial position, with net debt 35 per cent lower than the previous corresponding period. Each of our operating divisions also reported a significant increase in net free cash flow through a strong focus on working capital management.

"We continued to focus our portfolio through the successful divestments of the Integro and Copperpot businesses and have also announced the sale of the NZ Milling business which is expected to be completed later this month. The proceeds of these divestments are being used to further strengthen our capital position and also for reinvestment in our core categories and brands under our strategic plan.

"Finally, we have completed the senior appointments to strengthen the group executive team and have also improved our engagement with our people.

"While we still have significant work to do, I remain confident that the improvements we continue to make will enable the company to restore acceptable levels of returns to shareholders in the medium term," Mr Delaney said.

GROUP FINANCIAL RESULTS

Reported earnings and net profit were significantly ahead of the previous corresponding period.

Reported Net Profit After Tax for the six months increased by 137 per cent to $51.0 million with Earnings Per Share up 86 per cent from 1.4 cents per share to 2.6 cents per share in the previous corresponding period.

Reported net profit included significant items of $9.8 million (after tax), comprising the gain on sale of non-core businesses including Integro, less restructuring costs and provisions for asset sale costs.

Reported EBITDA increased by 17 per cent to $138.2 million while Reported EBIT increased by 25 per cent to $105.1 million compared to the six months ending 31 December 2011.

Normalised EBIT (excluding significant items) declined by 17 per cent to $95.3 million reflecting lower volumes in Baking and increased mix pressure from private label and competitors in Grocery, which required further investment in price and promotion.

The first half of FY13 included three months' earnings contribution from Integro (which was sold on 2 October 2012) compared to six months in the prior corresponding period. The first half of FY13 also included an additional tolling margin payable for commercial oils since the Integro divestment.

The previous corresponding period included earnings from a Baking wraps contract (Mission Foods) which Goodman Fielder did not renew for the first half of FY13 and also earnings from the Copperpot business which was divested during the period.

Normalised group EBIT for the first half of FY13 also included a $10 million increase in marketing/provision for staff incentives (subject to financial performance) compared to the prior corresponding period as the business reinvests to support medium term growth.

On a 'like for like' basis, adjusting for these comparisons, normalised EBIT was in line with the previous corresponding period.

Goodman Fielder's financial position has been strengthened considerably with lower net debt resulting in reduced net interest expense which was down 29 per cent from the previous corresponding period.

As a result, normalised net profit declined by 4 per cent to $41.2 million despite the higher decline in EBIT.

The effective tax rate for the half year was 20.1 per cent compared to 25.5 per cent in the previous year.

Net free cash flow increased by 81 per cent to $149.9 million, resulting from a reduction in working capital and lower inventory across the group. Lower interest and tax payments resulted in a significant increase in operating cash flow of $113.3 million compared to $11.5 million in the previous corresponding period.

Capital expenditure declined by 31 per cent to $30.8 million, reflecting the phasing of some specific projects which are expected to be implemented in the second half. As a result, capital expenditure is expected to increase in the second half.

CAPITAL MANAGEMENT – CONTINUED BALANCE SHEET STRENGTHENING

The company's financial position strengthened considerably during the period as the proceeds from non-core divestments were used to reduce net debt.

Prudent capital management continues to be a priority as part of the company's objective to maintain credit metrics in line with investment grade status.

Net debt at 31 December 2012 was $498 million – a 35 per cent reduction on the previous corresponding period. The average debt maturity profile is 3.8 years and the company has significant headroom in its debt facilities.

Goodman Fielder maintains a strong balance sheet and continues to operate comfortably within its banking covenants, with a leverage ratio (Net debt/EBITDA) of 1.85 times (2.58 times for the previous corresponding period) and interest cover of 3.73 times (3.09 times for the prior period).

DIVIDEND

In determining dividend policy, the Board's primary consideration is to ensure that the ongoing financial flexibility for the group to pursue its strategic agenda is balanced with providing appropriate returns to shareholders.

In light of the significant progress already made to strengthen the group's financial position and the achievements being delivered in the strategic plan to provide a more sustainable earnings outlook for the group, it is the Board's current intention to resume the payment of dividends at the full year, subject to trading conditions and market outlook.

Going forward, the Board expects to pay 50-80 per cent of Net Profit After Tax as dividends.

The Board will continue to monitor this policy and may make adjustments to reflect market conditions and the company's financial position.

Any final dividend payable in respect of FY13 would be expected to be unfranked in Australia and would not carry imputation credits for New Zealand based shareholders.

UPDATE ON PROJECT RENAISSANCE – REALIGNING THE COST BASE

The company is ahead of its Project Renaissance target to achieve $100 million in annualised savings by FY15.

The first phase of this project, targeting A$40 million in annualised savings has been successfully achieved.

Goodman Fielder has commenced the second phase of Project Renaissance to optimise manufacturing and supply chain efficiencies to deliver ongoing cost savings.

The company expects to achieve an additional $16 million in savings in the current financial year, bringing total cumulative savings to around $56 million by the end of FY13.

The major components of cost savings in FY13 relate to the continuing restructure of the Baking division, including pricing and efficiencies related to the 'cost to serve' model, rationalising the manufacturing footprint, including the closure of three bakeries, and reduced distribution costs through improved asset utilisation and more efficient contractor distribution.

The cost savings achieved through Project Renaissance are being reinvested to strengthen the business through brand and product innovation and productivity improvements to restore earnings.

Restructuring costs primarily related to Project Renaissance in the first half of $4.7 million were significantly below the previous corresponding period (1HFY12: $26.4m).

DIVISIONAL PERFORMANCE

Baking

$Am (unless stated)	**1HFY13**	1HFY12	Variance
Revenue	**480.6**	490.1	(2%)
EBITDA(Normalised)*	**38.4**	43.1	(11%)
EBITDA Margin*	**8.0%**	8.8%	(9%)
Free cash flow	**33.6**	16.1	+109%

Note: (*) Represents EBITDA before restructuring costs as per note 2 ‘segment information’ in the 31 December 2012 financial report

The Baking category, particularly in Australia, remains challenging from the continued impact of private label pricing and in-store baking on proprietary brands, in addition to the pressure of rising input costs.

Revenue declined by 2 per cent to $480.6 million, impacted by lower pricing in Australia for the first five months of the period and reduced volumes. However, volumes in New Zealand were steady on the previous corresponding period.

Price pressure from supermarket private label bread in Australia continued to place negative price and volume pressure on proprietary branded bread.

Normalised EBITDA for the Baking division declined by 11 per cent to $38.4 million. This result also includes the $3 million impact of the Mission Foods wraps contract which was not renewed in 2013 as Goodman Fielder decided to concentrate on the development of its proprietary branded wraps range.

The restructuring initiatives in the division to create a more sustainable cost base resulted in fixed overhead costs declining by 23 per cent in Australia in the first half.

However, rising input costs impacted margins in the first half in Australia, with price increases implemented towards the end of the period to recover input cost inflation. Price increases were also implemented in New Zealand at the end of the first half.

Gross margin in the New Zealand Baking business improved on the previous corresponding period, however increased distribution costs and higher marketing investment resulted in slightly lower earnings.

Free cash flow more than doubled to $33.6 million through effective working capital management and lower restructuring costs.

The turnaround of the Baking business is a significant component of the company’s strategic plan with several milestones achieved in the first half.

One of the most critical achievements was the improved alignment with retail partners in Australia relating to the costs incurred by Goodman Fielder in continuing to deliver fresh bread on a daily basis throughout Australia.

Goodman Fielder has worked collaboratively with its customers to implement a more cost efficient service delivery model. Price increases for proprietary baking products were also implemented in December 2012 recognising the costs involved in providing a daily fresh delivery service and also relating to the recovery of input cost inflation (ex commodities) which are expected to reflect improved margins in the second half.

Additional elements in the Baking division turnaround include generating further manufacturing efficiencies and improving asset utilisation through a more streamlined manufacturing footprint and optimising the product portfolio.

As part of these initiatives, bakeries in Rockhampton and Whiteside were closed during the period with the bakery at Cairns scheduled to close in February 2013. Lower value products such as bread rolls have been outsourced to third parties to create further manufacturing efficiencies.

A specific project to individually review the company's 180 regional distribution routes has commenced.

Approximately 90 routes have been reviewed to date with around 30 routes either eliminated or restructured to improve distribution efficiency.

Meanwhile, the project to rationalise and optimise the product range has resulted in 160 individual product items (SKUs) being deleted – a reduction of approximately 30 per cent.

Collectively, these initiatives are expected to deliver cost savings and margin improvement in the second half of the year in line with the strategic plan.

Grocery* (formerly Home Ingredients)

$Am (unless stated)	**1HFY13**	1HFY12	Variance
Revenue	**260.8**	283.7	(8%)
EBITDA (Normalised)**	**36.8**	44.9	(18%)
EBITDA Margin**	**14.1%**	15.8%	(11%)
Free cash flow	**59.3**	29.4	+102%

Notes: (*) Includes the Out of Home category which was previously included in the Integro division
(**) Represents EBITDA before restructuring costs as per note 2 'segment information' in the 31 December 2012 financial report

The Grocery market remains challenging, particularly in Australia, with increased competition from proprietary brands and private label putting pressure on volumes and price.

Volumes reduced in Australia from range reductions in supermarkets and increased mix pressure from private label and competitors, particularly in the core categories of spreads, flour and dressings & mayonnaise. Volumes in New Zealand were slightly lower, impacted by the loss of a private label flour contract.

The ongoing challenging market in Grocery required further investment in price and promotion to maintain share across product categories, including spreads, cake mix and biscuits.

As a result, revenue declined by 8 per cent to $260.8 million, reflecting increased investment in price and promotion to mitigate lower volume pressures.

Despite lower revenue, gross margin as a percentage of sales in Australia was in line with the previous corresponding period as a result of continued strong focus on cost containment. In New Zealand, gross margin percentage improved slightly on the prior corresponding period.

Normalised EBITDA declined by 18 per cent, impacted by lower volumes, one-off costs associated with a product recall in Biscuits in November 2012 and increased investment in marketing in the first half.

Price increases were implemented towards the end of the year in both Australia and New Zealand which should assist earnings improvement in the second half of the year.

While retail trading conditions, particularly in Australia, remain challenging in the Grocery sector, the company has further developed marketing and product innovation strategies across its core branded portfolio.

In the spreads category, Goodman Fielder started to regain market share in the last quarter following aggressive competitor activity which impacted volume earlier in the year. For the second half, the division will implement specific branded innovation activities, including new product releases, building on the strong MeadowLea brand.

In dressings and mayonnaise, market share reduced slightly, following a strong performance in previous years. Goodman Fielder has consistently outperformed the category over the past three years, driven by strong performance of the Praise deli style range.

The division started to regain market share in the cake mix category in the last quarter through strong promotional activity across all retail partners, while market share in flour experienced a significant turnaround towards the end of 2012, particularly through the independent channel, with Goodman Fielder now performing ahead of the market.

Dairy

$Am (unless stated)	**1HFY13**	1HFY12	Variance
Revenue	**198.5**	214.8	(8%)
EBITDA (Normalised)*	**25.5**	23.6	+8%
EBITDA Margin*	**12.8%**	11.0%	+16%
Free cash flow	**38.4**	12.4	+210%

Note: (*) Represents EBITDA before restructuring costs as per note 2 'segment information' in the 31 December 2012 financial report

Earnings in the company's Dairy business in New Zealand increased from improved product mix and ongoing disciplined cost management.

Overall volumes were slightly lower, reflecting lower milk and cheese volumes, partially offset by a strong increase in yoghurt volume following the excellent market response to the Meadow Fresh marketing campaign, "Cool stuff for kids", launched during the period.

Revenue declined by 8 per cent, to $198.5 million, primarily reflecting the lower average selling price due to declining commodity prices in milk and also lower pricing in cheese and meats.

Despite lower revenue, gross margin improved due to a move towards a more profitable product mix and ongoing cost discipline, resulting in lower warehouse and distribution costs.

Normalised EBITDA increased by 8 per cent to $25.5 million.

The increased EBITDA also included an increase in DME of around 40 per cent primarily to support the Meadow Fresh brand in New Zealand.

Market share in fresh white milk remains challenging due to private label growth while share in flavoured milk increased slightly during the Meadow Fresh marketing campaign. Goodman Fielder has increased its share in the yoghurt market with volumes up 10 per cent during the period.

Free cash flow increased by over 200 per cent to $38.4 million, reflecting improved earnings and lower restructuring costs.

Asia Pacific

$Am (unless stated)	**1HFY13**	1HFY12	Variance
Revenue	**170.8**	171.8	(1%)
EBITDA (Normalised)*	**34.5**	33.5	+3%
EBITDA Margin*	**20.2%**	19.5%	+4%
Free cash flow	**33.3**	15.6	+113%

Note: (*) Represents EBITDA before restructuring costs as per note 2 ‘segment information’ in the 31 December 2012 financial report

The company’s Asia Pacific division continued to improve, demonstrating the diversity of the Group’s earnings beyond the Australian supermarket channel and further opportunities to leverage the company’s strong market presence in the region.

Overall volumes were in line with the previous corresponding period with an increase in flour in Papua New Guinea and increased exports of UHT to China and the Philippines partially offset by lower poultry volumes in Fiji.

Lower commodity costs across the region in the first quarter impacted NASP, together with higher discounts in bakery ingredients to drive volume.

Cyclone Evan caused some interruption to manufacturing in Fiji towards the end of the period.

While revenue of $170.8 million was in line with the prior corresponding period, normalised EBITDA increased by 3 per cent on improved product mix, increased gross margin and cost discipline.

Normalised EBITDA margin improved slightly to 20.2 per cent from 19.5 per cent in the previous corresponding period.

The division maintains a strong market position in Fiji through its Crest poultry brand and recorded continued growth for its Flame flour brand in Papua New Guinea.

The division also continued to grow its export capability in spreads under the MeadowLea brand and also in dairy products under the Meadow Fresh brand throughout Asia and the Pacific region.

Free cash flow more than doubled to $33.3 million, driven by lower working capital and also assisted by the timing of inventory shipments.

Capital expenditure was slightly lower than the previous corresponding period, with some projects deferred into the second half, relating to the upgrade of existing plant and equipment and for further investment in further safety initiatives across the region.

Demonstrating the importance of the Asia Pacific business to the Group, Goodman Fielder added to its management team during the period with the appointment of Peter Foyston as Managing Director, Asia Pacific. Peter has over 17 years' experience in the region, working for a range of leading consumer foods companies.

OUTLOOK

Retail market conditions in the company's core markets of Australia and New Zealand are expected to remain challenging for the remainder of FY13, with competitive pressures continuing to put pressure on product volumes.

In response, Goodman Fielder will continue its strong focus on operational cost control and disciplined capital management. However, in line with its strategic plan, the company is reinvesting in its core categories through increased marketing investment focused on new product and innovation to leverage its market-leading brands.

In Asia Pacific, the business remains well placed to capitalise on its leading market positions in its core markets, while developing further export opportunities into key Asian markets over the medium term.

Mr Delaney said he expected the company to benefit from the key strategic initiatives undertaken in the first half, particularly relating to price increases in the Baking and Grocery divisions.

"We previously indicated to the market that our earnings for FY13 will be weighted towards the second half as a result of these price increases being implemented towards the end of the first half.

"We also expect to continue to generate further cost savings under Project Renaissance which will assist in earnings improvement in the second half.

"In the meantime, our financial position continues to be strengthened through strong cash generation and further reduction in net debt. We will continue the work on prioritising our portfolio and using the proceeds from divestments to further strengthen the balance sheet.

"As we have also indicated previously, the current financial year represents a period of rebuilding and reinvesting in our core categories in line with our strategic plan to deliver more sustainable earnings improvement over the medium term," he said.

* * * * * * *

For further information contact:
Martin Cole
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Basis of Preparation: Normalised EBIT, EBITDA and 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 realised foreign exchange losses. The non-IFRS financial information has not been audited or reviewed.

'Like for like' normalised EBIT is a non-IFRS profit measure that, in the opinion of the Directors, reflects a measure that allows more appropriate comparison between the reporting periods. The measure is based on Normalised EBIT adjusted for: the reduced contribution of the Integro business and Copperpot (Dips) sold in the period; the non-renewed Mission Foods wraps contract; tolling margin payable for commercial oils since the Integro divestment; and increased marketing investments and provision for incentives.

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

Certain statements contained in this announcement 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 announcement. 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 announcement.

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 Limited

ABN 51 116 399 430

Half year financial report for the period ended 31 December 2012

Contents

Directors' Report

The Directors of Goodman Fielder Limited (the Company) present their report together with the consolidated financial report for the half year ended 31 December 2012.

Directors
The Board of Directors of the Company currently consists of seven Directors - the Chairman, five independent non-executive Directors and the Managing Director. The following persons were Directors of the Company holding office during the financial period and until the date of this report:

Non-Executive
S Gregg - Appointed Chairman 1 October 2012
J A Dawson - Appointed 1 October 2012
C J Froggatt
P R Hearl
C A Hooke
I D Johnston
M G Ould - Resigned as Chairman and Director 1 October 2012

Executive
C R Delaney - Managing Director and Chief Executive Officer

Review of operations
The Company has made continued progress in the first half in delivering its strategic plan, with a result which is in line with the Company's expectations and demonstrates the growing diversity of its earnings in its three core markets across the region.

The Company has delivered improved earnings in its Asia Pacific business, while a strong increase from its Dairy business resulted in earnings from its New Zealand operations being in line with the previous corresponding period.

Retail trading conditions in Australia continue to be very challenging, resulting in lower volume and pricing which impacted the first half performance. However, the progress the Company is making, particularly in securing price increases in its Baking and Grocery divisions, is expected to result in improved performance in the second half of the year.

The Company improved the alignment with its key retail partners which resulted in the successful agreement to implement meaningful price increases related to the 'cost to serve' model in Baking in Australia and also price increases to recover input cost inflation in its Baking and Grocery divisions in Australia and New Zealand.

The Company also continues to deliver on the key strategic milestones it has set and communicated to the market.

This includes the necessary reinvestment in its brands and its people to grow its revenue and support its medium term growth objectives. That has resulted in a 38 per cent increase in direct marketing expenditure (DME) and also a provision for staff incentives (subject to financial performance) in the first half.

While this increase in DME and provisioned staff incentives has impacted normalised Earnings Before Interest and Tax (EBIT)[(1)] relative to the previous corresponding period, the Company believes this to be a prudent reinvestment of the cost savings it is generating across the business to support its strategic planning agenda.

The Company has also further strengthened its financial position, with net debt 35 per cent lower than the previous corresponding period. Each of its operating divisions also reported a significant increase in net free cash flow (representing receipts from customers less payments to suppliers and employees) assisted by a strong focus on working capital management.

The Company continued to focus its portfolio of businesses and brands through the successful divestments of the Integro and Copperpot businesses and it has also announced the sale of the New Zealand Milling business, which is expected to be completed in February 2013. The proceeds of these divestments are being used to further strengthen the Company's capital position and also for reinvestment in its core categories and brands under its strategic plan.

The Company has also completed the senior appointments to strengthen the group executive team and has improved its engagement with its people.

[(1)] ***Normalised EBIT is a non-IFRS measure that reflects, in the opinion of the Directors, the ongoing operating activities of the Company in a way that appropriately presents its underlying performance. The non-IFRS underlying profit measure excludes restructuring expenses, profits or losses from sale of businesses and assets, asset write-downs and realised foreign exchange losses. The non-IFRS financial information has not been audited or reviewed.***

Review of operations (continued)

Financial results
On a reported basis, earnings and net profit were significantly ahead of the previous corresponding period.

Net Profit After Tax for the six months increased by 137 per cent to $51.0 million with Earnings Per Share up 86 per cent from 1.4 cents per share to 2.6 cents per share in the previous corresponding period.

Net Profit After Tax included significant items of $9.8 million (after tax), comprising the gain on sale of non-core businesses including Integro, less restructuring costs and provisions for asset sales.

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) increased by 17 per cent to $138.2 million while EBIT increased by 25 per cent to $105.1 million compared to the six months ended 31 December 2011.

Normalised EBIT (which excludes significant items)[2] declined by 17 per cent to $95.3 million reflecting lower volumes in Baking and increased mix pressure from private label and competitors in Grocery, which required further investment in price and promotion.

Normalised EBIT for the first half also included a $10 million increase in marketing/provision for staff incentives (subject to financial performance) compared to the prior corresponding period as the business reinvests to support medium term growth.

Net free cash flow increased by 81 per cent to $149.9 million, resulting from a reduction in working capital across the Company's operations. Lower interest and tax payments resulted in a significant increase in operating cash flow of $113.3 million compared to $11.5 million in the previous corresponding period.

Capital expenditure declined by 31 per cent to $30.8 million, reflecting the phasing of some specific projects which are expected to be implemented in the second half. As a result, capital expenditure is expected to increase in the second half.

Net debt[3] at 31 December 2012 was $498 million – a 35 per cent reduction on the previous corresponding period. The average debt maturity profile is 3.8 years and the Company has significant headroom in its debt facilities. The reduced net debt resulted in a lower net interest expense, which was down 29 per cent from the previous corresponding period.

The Company maintains a strong balance sheet and continues to operate comfortably within its banking covenants, with a leverage ratio (Net debt/EBITDA) of 1.85 times (2.58 times for the previous corresponding period) and interest cover of 3.73 times (3.09 times for the prior period).[4]

In light of the significant progress already made to strengthen the Company's financial position and the achievements being delivered in the strategic plan to provide a more sustainable earnings outlook for the Company, it is the Board's current intention to resume the payment of dividends at the full year, subject to trading conditions and market outlook.

[2] *Pre-tax significant items include restructure costs ($4.7m), provision for asset sale ($2.3m), profit on sale of assets ($5.3m) and gain on sale of Integro ($11.5m).*

[3] *Net debt excludes an unrealised foreign exchange gain of $63.0m (1HFY12: gain of $56.3m) relating to the revaluation of the Company's US dollar private placement debt.*

[4] *Leverage ratio and interest cover calculated in accordance with the Group's debt facility covenants.*

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4 and forms part of this report.

Rounding of amounts
The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and, in accordance with that Class Order, amounts in the financial report and Directors' Report have been rounded off to the nearest tenth of a million dollars, unless otherwise stated.

Signed in accordance with a resolution of the Directors.

Steven Gregg
Chairman

Christopher Delaney

Chris Delaney
Managing Director and Chief Executive Officer

Sydney
13 February 2013

Sydney
13 February 2013

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Goodman Fielder Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2012 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Kevin Leighton
Partner

Sydney

13 February 2013

	Notes	**2012 $m**	2011[1] $m
Continuing operations			
Revenue		**1,080.6**	1,135.1
Other income		**8.0**	4.9
Cost of sales		**(689.0)**	(726.9)
Warehousing and distribution expenses		**(157.4)**	(168.6)
Selling and marketing expenses		**(93.3)**	(81.1)
General and administration expenses		**(64.0)**	(89.5)
Expenses, excluding finance costs		**(1,003.7)**	(1,066.1)
Net finance costs		**(36.1)**	(50.9)
Profit before income tax from continuing operations		**48.8**	23.0
Income tax expense	3	**(10.2)**	(4.8)
Profit for the half year from continuing operations		**38.6**	18.2
Discontinued operations			
Profit for the half year from discontinued operations, net of income tax	5	**16.5**	6.3
Profit for the half year		**55.1**	24.5
Attributable to:			
Owners of Goodman Fielder Limited		**51.0**	21.5
Non-controlling interest		**4.1**	3.0
Profit for the half year		**55.1**	24.5
		Cents	Cents
Earnings per share for profit attributable to owners of Goodman Fielder Limited from continuing operations:			
Basic and diluted earnings per share	11	**1.8**	1.0
		Cents	Cents
Earnings per share for profit attributable to the owners of Goodman Fielder Limited from continuing and discontinued operations:			
Basic and diluted earnings per share	11	**2.6**	1.4

[1] The 2011 comparative figures have been restated to separately disclose the net result from discontinued operations as set out in note 5.

The above consolidated income statement should be read in conjunction with the accompanying notes.

	2012 **$m**	2011 $m
Profit for the half year	**55.1**	24.5
Other comprehensive income, net of tax		
Items that may be reclassified subsequently to profit or loss:		
Foreign exchange translation differences	**8.3**	3.6
Effective portion of changes in the fair value of cash flow hedges	**4.0**	2.2
Exchange differences on non-controlling interest	**(0.2)**	1.2
Total items that may be reclassified subsequently to profit or loss, net of tax	**12.1**	7.0
Other comprehensive income for the half year, net of tax	**12.1**	7.0
Total comprehensive income for the half year	**67.2**	31.5
Attributable to:		
Owners of Goodman Fielder Limited	**63.3**	27.3
Non-controlling interest	**3.9**	4.2
Total comprehensive income for the half year	**67.2**	31.5

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

	Notes	**31 December 2012 $m**	30 June 2012 $m
Assets			
Current assets			
Cash and cash equivalents		**358.3**	161.7
Trade and other receivables		**174.3**	227.6
Inventories		**123.5**	128.0
Derivative financial instruments		**0.5**	1.7
Current tax receivables		**4.4**	13.7
Other current assets		**21.3**	9.0
Assets classified as held for sale	5	**38.2**	177.1
Total current assets		**720.5**	718.8
Non-current assets			
Receivables		**1.5**	2.4
Investments in jointly controlled entities	9	**4.7**	4.1
Property, plant and equipment		**495.0**	498.1
Deferred tax assets		**54.0**	57.7
Intangible assets		**1,426.1**	1,411.6
Other non-current assets		**2.3**	1.1
Total non-current assets		**1,983.6**	1,975.0
Total assets		**2,704.1**	2,693.8
Liabilities			
Current liabilities			
Trade and other payables		**262.0**	275.2
Borrowings		**178.8**	51.0
Current tax liabilities		**14.0**	15.0
Provisions		**64.6**	61.6
Derivative financial instruments		**21.7**	23.7
Liabilities classified as held for sale	5	**0.6**	7.6
Total current liabilities		**541.7**	434.1
Non-current liabilities			
Borrowings		**614.5**	786.2
Deferred tax liabilities		**23.8**	20.5
Provisions		**11.5**	15.2
Derivative financial instruments		**68.3**	62.7
Total non-current liabilities		**718.1**	884.6
Total liabilities		**1,259.8**	1,318.7
Net assets		**1,444.3**	1,375.1
Equity			
Contributed equity		**2,065.0**	2,063.7
Reserves		**(239.9)**	(252.9)
Accumulated losses		**(390.7)**	(441.7)
Capital and reserves attributable to the owners of Goodman Fielder Limited		**1,434.4**	1,369.1
Non-controlling interest		**9.9**	6.0
Total equity		**1,444.3**	1,375.1

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Goodman Fielder Limited
Consolidated Statement of Changes in Equity
For the half year ended 31 December 2012

	Attributable to owners of Goodman Fielder Limited							
	Contributed Equity $m	Hedging reserve $m	Foreign currency translation reserve $m	Share based payment reserve $m	Accumulated losses $m	Total $m	Non-controlling interests $m	Total equity $m
Balance at 1 July 2012	**2,063.7**	**(22.7)**	**(230.8)**	**0.6**	**(441.7)**	**1,369.1**	**6.0**	**1,375.1**
Profit for the half year	-	-	-	-	51.0	51.0	4.1	55.1
Other comprehensive income for the half year	-	4.0	8.3	-	-	12.3	(0.2)	12.1
Total comprehensive income for the half year	-	4.0	8.3	-	51.0	63.3	3.9	67.2
Transactions with owners in their capacity as owners:								
Revision of estimated tax effect of transaction costs from capital raising	1.3	-	-	-	-	1.3	-	1.3
Share based payment transactions	-	-	-	0.7	-	0.7	-	0.7
Balance at 31 December 2012	**2,065.0**	**(18.7)**	**(222.5)**	**1.3**	**(390.7)**	**1,434.4**	**9.9**	**1,444.3**

	Attributable to owners of Goodman Fielder Limited							
	Contributed Equity $m	Hedging reserve $m	Foreign currency translation reserve $m	Share based payment reserve $m	Accumulated losses $m	Total $m	Non-controlling interests $m	Total equity $m
Balance at 1 July 2011	**1,812.2**	**(23.8)**	**(236.2)**	**0.5**	**(260.3)**	**1,292.4**	**7.9**	**1,300.3**
Profit for the half year	-	-	-	-	21.5	21.5	3.0	24.5
Other comprehensive income for the half year	-	2.2	3.6	-	-	5.8	1.2	7.0
Total comprehensive income for the half year	**-**	**2.2**	**3.6**	**-**	**21.5**	**27.3**	**4.2**	**31.5**
Transactions with owners in their capacity as owners:								
Issue of ordinary shares (net of transaction costs and tax)	250.7	-	-	-	-	250.7	-	250.7
Dividends paid to shareholders	-	-	-	-	(34.5)	(34.5)	(5.4)	(39.9)
Share based payment transactions	-	-	-	0.2	-	0.2	-	0.2
Balance at 31 December 2011	**2,062.9**	**(21.6)**	**(232.6)**	**0.7**	**(273.3)**	**1,536.1**	**6.7**	**1,542.8**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

	Notes	**2012 $m**	2011 $m
Cash flows from operating activities			
Receipts from customers		**1,224.1**	1,333.2
Payments to suppliers and employees		**(1,074.2)**	(1,250.2)
Insurance proceeds		**-**	3.6
Interest received		**3.8**	0.5
Interest paid		**(39.8)**	(51.1)
Income taxes paid		**(0.6)**	(24.5)
Net cash inflow from operating activities		**113.3**	11.5
Cash flows from investing activities			
Payments for property, plant and equipment and intangibles		**(30.8)**	(44.4)
Proceeds from sale of business	5	**147.5**	-
Proceeds from sale of property, plant and equipment		**7.3**	1.4
Net cash inflow/(outflow) from investing activities		**124.0**	(43.0)
Cash flows from financing activities			
Proceeds from issue of share capital		**-**	250.7
Proceeds from borrowings		**-**	357.8
Repayment of borrowings		**(39.5)**	(491.9)
Finance lease payments		**(0.5)**	(0.6)
Dividends paid (net of dividend reinvestment plan)	6	**-**	(34.5)
Dividends paid to non-controlling interest		**-**	(5.4)
Net cash (outflow)/inflow from financing activities		**(40.0)**	76.1
Net increase in cash and cash equivalents		**197.3**	44.6
Cash and cash equivalents at the beginning of the half year		**161.7**	79.9
Effects of exchange rate changes on cash and cash equivalents		**(0.7)**	2.6
Cash and cash equivalents at end of the half year		**358.3**	127.1

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Contents of the Notes to the Financial Statements

1 Summary of significant accounting policies

Goodman Fielder Limited is a Company domiciled in Australia.

This consolidated interim financial report comprises the financial statements of Goodman Fielder Consumer Foods Pty Limited, as the accounting parent, and its deemed subsidiaries (together referred to as the Group) for the six months ended 31 December 2012. The financial report is presented in the Australian currency.

The consolidated interim financial report was authorised for issue by the Directors on 13 February 2013.

(a) Basis of preparation of half year financial report

(i) Statement of compliance with IFRS

This consolidated interim financial report for the half year reporting period ended 31 December 2012 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001.*

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2012 and any public announcements made by Goodman Fielder Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001.*

The accounting policies adopted are consistent with those applied by the Group in its financial report as at and for the year ended 30 June 2012.

(ii) Basis of measurement

These financial statements have been prepared under the historical cost basis except for derivative financial instruments and assets classified as held for sale which are stated at their fair value.

(iii) Accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Australian equivalents to International Financial Reporting Standards (AIFRS) requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; or in the period of the revision and future periods if the revision affects both current and future periods. There have been no significant changes since 30 June 2012 in the bases upon which estimates have been determined.

2 Segment information

(a) Description of segments

Operating segments

The Baking division has a portfolio of leading food brands with three of the top five proprietary bread brands in Australia and six of the top 10 proprietary brands in New Zealand. It is one of the largest bakers in the Australasian region, with leading market shares in most of the market segments in which it competes.

The Dairy division is a major participant in the New Zealand dairy and smallgoods industries with some of the country's most recognised brands in fresh and flavoured milk, yogurt, dairy desserts, specialty cheese, cultured products and meats. The business distributes fresh dairy products to almost 13,000 customer points every day.

The Grocery division is a leading supplier of consumer food products to supermarkets in Australia and New Zealand. It has a diverse portfolio of iconic market leading brands focused on the retail channel and manufactures at four sites in Australia. Its product range covers spreads and dips, cooking oil, sauces, dressings, vinegar, mayonnaise, flour, pastry, baking ingredients, biscuits and baked snacks.

The Asia Pacific division is the largest food supplier in the Pacific islands with some of the best known brands in the region, primarily focused on flour, chicken and snacks. The business has an emerging presence in the East Asian region with a core focus on China, the Philippines and Indonesia, and also exports to over 20 countries. Its Asian product range covers bakery ingredients, dairy and spreads.

2 Segment information (continued)

The Integro Foods division was a leading Trans Tasman processor of edible oils. The business supplied edible oils to the Australia and New Zealand food industries and specialised in the development and production of complex, higher value oil blends. The business had four manufacturing plants and, as well as supplying in bulk, also supplied packed products under a number of leading brands. The Integro Foods business was sold on 2 October 2012 and the segment results include results of operations to that date.

(b) Information about reportable segments

For the six months ended 31 December 2012	Baking[1] $m	Dairy $m	Grocery[2] $m	Asia Pacific $m	Integro Foods (discontinued) (note 5) $m	Total $m
Segment revenue						
Sales to external customers	480.6	198.5	260.8	170.8	61.4	1,172.1
Intersegment sales	43.8	7.7	15.2	3.5	35.9	106.1
Total segment revenue	**524.4**	**206.2**	**276.0**	**174.3**	**97.3**	**1,278.2**
Intersegment elimination						(106.1)
Discontinued operations (note 5)						(91.5)
Total revenue						**1,080.6**
Segment result						
EBITDA before restructuring costs	38.4	25.5	36.8	34.5	6.0	141.2
Depreciation and amortisation expense	(16.5)	(7.7)	(6.6)	(2.0)	(0.3)	(33.1)
EBIT before significant items	21.9	17.8	30.2	32.5	5.7	108.1
Restructure costs	(1.0)	(0.9)	(0.5)	(0.1)	(0.3)	(2.8)
Provision for asset sale costs	(2.3)	-	-	-	-	(2.3)
Profit from sale of assets	-	-	2.7	2.6	-	5.3
Segment EBIT	**18.6**	**16.9**	**32.4**	**35.0**	**5.4**	**108.3**
Unallocated foreign exchange gains						0.2
Unallocated restructure costs						(1.9)
Unallocated expenses						(13.0)
Discontinued operations (note 5)						(8.7)
Net interest expense						(36.1)
Profit before income tax from continuing operations						**48.8**
Profit from discontinued operations, net of income tax (note 5)						16.5
Income tax expense						(10.2)
Profit for the half year						**55.1**

Segment assets

The major changes in segment assets during the period relate to the sale of the Integro Foods segment on 2 October 2012. As a result of the sale, the total segment assets for the Integro Foods segment at 31 December 2012 are $nil (30 June 2012: $238.4m).

[1] The Baking segment includes New Zealand Milling EBIT of $3.3m and revenue of $30.1m, which has been classified under discontinued operations. Further information has been set out in note 5 Discontinued operations.

[2] Goodman Fielder has aligned segments to reflect changes resulting from businesses under review. As a result, the previously named Home Ingredients segment is now called Grocery. Similarly, the Out of Home category previously included in the Integro Foods segment, now forms part of the Grocery segment.

2 Segment information (continued)

For the six months ended 31 December 2011	Baking[1] $m	Dairy $m	Grocery[2] $m	Asia Pacific $m	Integro Foods (discontinued) (note 5) $m	Total $m
Segment revenue						
Sales to external customers	490.1	214.8	283.7	171.8	127.6	1,288.0
Intersegment sales	31.7	8.4	14.6	3.7	70.3	128.7
Total segment revenue	**521.8**	**223.2**	**298.3**	**175.5**	**197.9**	**1,416.7**
Intersegment elimination						(128.7)
Discontinued operations (note 5)						(152.9)
Total revenue						**1,135.1**
Segment result						
EBITDA before restructuring costs	43.1	23.6	44.9	33.5	12.9	158.0
Depreciation and amortisation expense	(14.5)	(6.9)	(6.7)	(2.1)	(3.9)	(34.1)
EBIT before significant items	28.6	16.7	38.2	31.4	9.0	123.9
Restructure costs	(15.8)	(1.8)	(1.6)	-	(2.8)	(22.0)
Segment EBIT	**12.8**	**14.9**	**36.6**	**31.4**	**6.2**	**101.9**
Unallocated foreign exchange losses						(4.1)
Unallocated restructure costs						(4.4)
Unallocated expenses						(9.6)
Discontinued operations (note 5)						(9.9)
Net interest expense						(50.9)
Profit before income tax from continuing operations						**23.0**
Profit from discontinued operations, net of income tax (note 5)						6.3
Income tax expense						(4.8)
Profit for the half year						**24.5**

(1) The Baking segment includes New Zealand Milling EBIT of $3.7m and revenue of $25.3m, which has been classified under discontinued operations. Further information has been set out in note 5 Discontinued operations.

(2) Goodman Fielder has aligned segments to reflect changes resulting from businesses under review. As a result, the previously named Home Ingredients segment is now called Grocery. Similarly, the Out of Home category previously included in the Integro Foods segment, now forms part of the Grocery segment.

3 Income tax expense

The Group's effective tax rate for the six months ended 31 December 2012 was 20.1% (2011: 25.5%) including discontinued operations. Amounts treated as non-deductible or assessable in determining income tax expense at 31 December 2012 remain consistent with 30 June 2012. The decrease in the Group's effective tax rate is predominantly due to non-assessable capital gains arising from sale of businesses as described in note 5 Discontinued operations.

4 Financing activities

During the period, the Company did not refinance any banking facilities, however the Company repaid NZD 47 million on 7 November 2012 from the 2011 Syndicated Facility and NZD 3 million from the CBA Bilateral Facility.

Subsequent to reporting date, on 7 February 2013, the Company cancelled the Group's $130 million Syndicated Bank Facility (maturity July 2013), and redrew $130 million from the Group's 2011 Syndicated Facilility.

5 Discontinued operations

(a) Operations discontinued in the current half year

On 16 February 2012 Goodman Fielder Limited announced its intention to sell the Integro Foods business and the New Zealand Milling business, and initiated an active program to locate a buyer for each business and complete the sale. The Integro Foods business and the New Zealand Milling business are reported in this financial report as discontinued operations.

The decision to divest the Integro Foods and New Zealand Milling businesses is part of the ongoing portfolio prioritisation project to focus more on core businesses.

On 2 October 2012, Goodman Fielder completed the sale of the Integro Foods business to a consortium comprising GrainCorp and Gardner Smith. The gross proceeds of the transaction (including settlement of trade and other receivables and payables by Goodman Fielder) was $170 million. Net proceeds of the transaction of approximately $165 million will be used primarily to reduce debt.

On 7 December 2012, Goodman Fielder entered into an agreement with Nisshin Flour Milling Inc and its parent, Nisshin Seifun Group Inc to sell its Champion Flour milling business in New Zealand for NZ$51 million. The transaction is expected to be completed in February 2013, subject to satisfaction of conditions.

Financial information relating to the discontinued operations for the period to the date of disposal (Integro Foods) or reporting date (New Zealand Milling) is set out below. Further information is set out in note 2 - Segment information.

(b) Financial performance and cash flow information

The financial performance and cash flow information presented are for the current and prior half year periods.

	31 December 2012 $m	31 December 2011 $m
Revenue	**91.5**	152.9
Expenses	**(11.4)**	(20.0)
Cost of sales	**(69.1)**	(123.0)
Provision for asset sale costs	**(2.3)**	-
Profit before income tax	**8.7**	9.9
Income tax expense	**(3.1)**	(3.6)
Profit after income tax of discontinued operations	**5.6**	6.3
Gain on sale of the Integro Foods division before income tax	**11.5**	-
Income tax expense	**(0.6)**	-
Gain on sale of the Integro Foods division after income tax	**10.9**	-
Profit for the half year from discontinued operations, net of income tax	**16.5**	6.3
Net cash (outflow)/inflow from operating activities	**(5.6)**	15.4
Net cash inflow/(outflow) from investing activities	**144.0**	(3.8)
Net cash outflow from financing activities	**(0.2)**	(0.1)
Net increase in cash generated by the discontinued operations	**138.2**	11.5

5 Discontinued operations (continued)

(c) Assets and liabilities classified as held for sale

The carrying amounts of assets and liabilities as at reporting date were:

	31 December 2012 $m	30 June 2012 $m
Inventories	**11.1**	65.2
Property, plant and equipment	**21.3**	93.0
Intangibles	**5.8**	18.9
Total assets[1]	**38.2**	177.1
Employee benefits and other provisions	**(0.6)**	(7.6)
Total liabilities[2]	**(0.6)**	(7.6)
Net assets	**37.6**	169.5

[1] Trade and other receivables have not been classified as held for sale as they will be collected by Goodman Fielder Limited.
[2] Trade and other payables have not been classified as held for sale as they will be settled by Goodman Fielder Limited as they fall due.

(d) Details of the sale of Integro Foods business

	31 December 2012 $m
Consideration received:	
Cash	**147.5**
Total disposal consideration[1]	**147.5**
Carrying amount of net assets sold and transaction costs	**(136.0)**
Gain on sale before income tax	**11.5**
Income tax expense	**(0.6)**
Gain on sale after income tax	**10.9**

[1] Consideration excludes the net trade and other receivables and payables balance, collected and settled respectively, by Goodman Fielder Limited.

6 Dividends

	31 December 2012 $m	31 December 2011 $m
Ordinary shares		
Final dividend for the year ended 30 June 2012 of nil cents (2011: 2.5 cents paid on 3 November 2011) per fully paid ordinary share Australia: 45% franked amount of 1.125 cents at 30% New Zealand: nil imputation amount of nil cents at 30%	**-**	34.5

7 Contingencies

(a) Contingent liabilities

There were no significant changes to contingent liabilities as disclosed in the most recent annual report.

(b) Contingent assets

The Group continues to assess damage resulting from the Christchurch earthquakes in September 2010 and February 2011. In particular, substantial damage was incurred at the Christchurch Bakery site, in addition to that at the Christchurch Milling and Dairy sites. The Group continues to take steps to mitigate losses caused by these events. Insurance policies held by the Group have meant progress payments in respect of the current losses have been received to date, indicating future economic benefits from the policies are probable. The total insurance receivable in relation to the current and future expected losses are dependent on agreement of the formal claim submission and future losses incurred by the Group in relation to the damage. The expected future insurance recovery at 31 December 2012 ranges from $25m to $35m (30 June 2012: $30m to $40m) excluding the amounts already recorded at 31 December 2012.

8 Commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

	31 December 2012 $m	30 June 2012 $m
Property, plant and equipment		
Payable:		
Within one year	**22.8**	17.1
Later than one year but not later than five years	**2.3**	2.1
	25.1	19.2

9 Jointly controlled entities

The Group has a 50% interest (30 June 2012: 50% interest) in PT Sinar Meadow International Indonesia (incorporated in Indonesia). PT Sinar Meadow International Indonesia operates a margarine manufacturing and distribution business in Indonesia. The Group’s investment in the company, together with loans made to the company, were written off in prior years.

During the current period, an impairment reversal of $0.6m (30 June 2012: $1.8m) of the Group's investment in PT Sinar Meadow International Indonesia was recognised. At 30 June 2012, the impact of the impairment reversal was partly offset by a $0.5m (31 December 2012: $nil) reduction in the Group's investment in PT Sinar Meadow International Indonesia on translation of the Group's share of net assets.

	31 December 2012 $m	30 June 2012 $m
Investment in jointly controlled entity	**4.7**	4.1

10 Events occurring after the reporting period

Subsequent to reporting date, on 7 February 2013, the Company cancelled the Group's $130 million Syndicated Bank Facility (maturity July 2013), and redrew $130 million from the Group's 2011 Syndicated Facilility.

Except as mentioned above, there have been no other events subsequent to balance date which would have a material effect on the Group's financial statements as at 31 December 2012.

11 Earnings per share

	31 December 2012 Cents	31 December 2011 Cents
(a) Basic and diluted earnings per share		
Profit for the half year from continuing operations attributable to the owners of Goodman Fielder Limited	**1.8**	1.0
Profit for the half year from discontinued operations attributable to the owners of Goodman Fielder Limited	**0.8**	0.4
	2.6	1.4

(b) Reconciliation of earnings used in calculating basic and diluted earnings per share

	31 December 2012 $m	31 December 2011 $m
Basic earnings per share		
Profit attributable to the ordinary owners of the company used in calculating basic earnings per share		
Profit for the half year from continuing operations	**38.6**	18.2
Profit for the half year from discontinued operations	**16.5**	6.3
Less: Profit attributable to non-controlling interests	**(4.1)**	(3.0)
	51.0	21.5

(c) Weighted average number of shares used as the denominator

	31 December 2012 millions	31 December 2011 millions
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	**1,956.6**	1,576.7

In the opinion of the Directors of Goodman Fielder Limited (the Company):

(a) the financial statements and notes of the Group set out on pages 5 to 17 are in accordance with the *Corporations Act 2001,* including:

  (i) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting*, and the *Corporations Regulations 2001*; and

  (ii) giving a true and fair view of the Group's financial position as at 31 December 2012 and of its performance for the half year ended on that date; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.

Steven Gregg
Chairman

Sydney
13 February 2013

Chris Delaney
Managing Director and Chief Executive Officer

Sydney
13 February 2013

Independent auditor's review report to the members of Goodman Fielder Limited

We have reviewed the accompanying half-year financial report of Goodman Fielder Limited, which comprises the consolidated statement of financial position as at 31 December 2012, consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes 1 to 11 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity,* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Goodman Fielder Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Goodman Fielder Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

KPMG

Kevin Leighton
Partner

Sydney

13 February 2013