Goodman Fielder Limited
ABN 51 116 399 430

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29 August 2011

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SYDNEY NSW 2000

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Goodman Fielder Limited – 2011 Results Announcement

I attach the Company's Results Announcement in relation to the financial year ended 30 June 2011.

A Presentation to Analysts in connection with the 2011 financial results will follow later in the morning.

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

Yours sincerely,

JONATHON WEST
Company Secretary

ASX/NZX ANNOUNCEMENT

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GOODMAN FIELDER FULL YEAR RESULT FY 2011

RESULTS [1]	**FY 2011**	FY 2010	Variation
Revenue	**$2556.2m**	$2660.1m	-3.9%
EBITDA	**$356.7m**	$385.3m	-7.4%
EBITDA margin	**14.0%**	14.5%	-0.5 pts
Free cash flow	**$340.0m**	$438.1m	-22.4%
Operating cash flow	**$207.6m**	$319.7m	-35.1%
NPAT before impairment	**$133.3m**	$161.1m	-17.3%
NPAT after impairment	**($166.7m)**	$161.1m	
EPS before impairment	**9.7c**	11.7c	
Dividend per share	**7.75c**	10.75c	
Net debt[2]	**$955m**	$916m	

RESULT

Goodman Fielder returned an underlying NPAT of $133.3 million for the year ended 30 June 2011, down 17.3 % from $161.1 million for the previous corresponding period. A non-cash impairment charge of $300 million was announced on 19 August 2011 and resulted in a reported NPAT loss of $166.7 million.

KEY TRENDS/INFLUENCES

Following a solid first half performance, the company suffered a significant profit decline in the second half. Relatively solid performances from the Asia Pacific and Integro businesses and a flat performance by the Home Ingredients division in very difficult conditions, were outweighed by declines in the Baking and Dairy businesses. Economic conditions in Australia and New Zealand were challenging in the second half and this resulted in weakened consumer confidence which impacted retail buying trends as consumers pursued cheaper alternatives.

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[1] All Financials are stated on a Reported basis.
[2] This excludes in FY2011 an unrealised foreign exchange gain of $71 million relating to the revaluation of the Company's US dollar private placement debt.

The company's Baking business suffered a significant loss of profitability during the second half of the year. This resulted from several factors including volume reduction, less favourable product mix, high commodity costs, and inadequate cost recovery. The Baking business incurred significant volume reduction following the loss of a private label contract in Australia and the business did not reduce manufacturing and logistics overheads quickly enough to compensate.

The company's cost base also increased as a result of higher commodity costs while fierce retail competition drove price discounting, making cost recovery more difficult to achieve. Compounding the impact was the resurgence of private label products, particularly in the bread segment, which created a less profitable product mix for the company.

Other factors influencing the result included the effects of the continuing strength of the Australian dollar which impacted the translation of earnings from the company's New Zealand and Asia Pacific businesses, and the impact of a series of natural disasters in Australia and New Zealand.

IMPAIRMENT

As a result of weak trading in the Baking division during the second half of the year, the company announced on 19 August a non-cash impairment charge of $300 million ($250 million in Australia and $50 million in New Zealand). Second half trading conditions in the Baking division in Australia and New Zealand were subdued due to the unfavourable external and market conditions described above and management underestimated the impact of these changes and therefore the initial response was inadequate.

RECOVERY STRATEGY

The company's new CEO Mr Chris Delaney (appointed 4 July) has moved quickly to reduce overhead costs. A restructure of the Baking division was commenced in early August to simplify business operations, reduce costs and increase efficiency and this has resulted in an initial $11 million overhead reduction in the Baking division's sales, financing, and supply chain functions.

A comprehensive review of the Baking, Dairy and Home Ingredients businesses in New Zealand is also underway to determine the opportunities to capture scale advantages by integrating operations and consolidating the management structure.

Mr Delaney has also commenced a strategic review of the company's business portfolio, designed to deliver a three-year phased plan to stabilise, restructure, and grow the company and to deliver a sustained business improvement.

The plan will reset the business model through:

- aligning and energising management and the organisation,
- a simplified business portfolio and leadership structure,
- a structural change in the company's cost structure,

- breakthrough innovation and/or identifying profitable revenue streams for long term sustainable growth.

A key focus will be the translation of the company's size into future scalable advantage, through improved systems, core work processes and back office consolidation.

SAFETY

The company recorded an improved safety performance for the year, with the Lost Time Injury Frequency Rate reducing from 6.7 per million hours worked in the prior year to 4.7.

During the year the Christchurch region in New Zealand suffered two major earthquakes with major loss of life and property damage. Fortunately there were no injuries to company employees or contractors or their family members but after the February earthquake many employees suffered significant damage to homes. The company's bread plant was closed due to damage and the business is currently looking at options to replace the lost capacity.

The company donated to the community rebuilding fund following the first earthquake in September 2010 and, following the second occurrence, an employee assistance fund to help affected employees was established.

NEXGEN

The company's NexGen project, a major enterprise resource planning upgrade, is continuing to progress well although it was adversely impacted by the Christchurch earthquake. Originally expected to be completed early in 2013, the project is now anticipated to end by mid 2013. The project is the key element of the company's progression to a single IT platform supported by a Shared Services Function.

BALANCE SHEET / CASH FLOW

The company continues to generate solid cash flows underpinned by effective financial management, capital expenditure disciplines and tight control of working capital.

Working capital at 30 June 2011 was $129 million, a slight increase of $4 million over the prior year. Capital expenditure for the year, of $105 million, was in line with last year.

Net debt at 30 June 2011 was $955 million, an increase of $39 million over the prior year, primarily as a result of lower earnings in the Baking division during the second half of the year. The net debt excludes an unrealised foreign exchange gain of $71 million relating to the revaluation of the company's US dollar private placement debt which was completed in September 2010 and is fully hedged.

Intangibles decreased $335 million, mainly reflecting the non-cash $300 million impairment charge of the Baking Australia and Baking New Zealand businesses, and foreign exchange movements in respect of New Zealand intangibles.

Goodman Fielder currently has a debt to debt+equity ratio of 30.8% and debt to EBITDA of 2.66 times.

During the year the company successfully raised debt of NZ$250 million in senior unsecured fixed rate bonds in the New Zealand retail bonds market. This followed the September 2010 raising of US$300 million in unsecured notes in the US private placement market. Both debt raisings were used to replace existing bank debt.

The company has now extended its average debt maturity profile from 1.6 years to 4.4 years. The company cancelled $150 million of committed debt that was due to mature in July 2011, and its unused debt funding capacity is now circa $190 million. The only debt facility to mature during FY2012 is $50 million in March 2012. The company maintains committed debt facilities of A$1.2 billion.

The company has commenced the process of early refinancing of the 2009 syndicated debt facility of $500 million, due to mature in FY2013. The proposed refinancing is for a new syndicated debt facility of $500 million, with maturity dates in 2014 and 2016. This refinancing will improve the debt maturity profile and reduce overall funding costs.

DIVIDEND

Directors announced a final dividend of 2.5 cents per share, bringing the full year dividend to 7.75 cents per share and representing a full year dividend payout ratio of approximately 80% of NPAT (before impairment). The final dividend is payable on 3 November 2011 to holders of record at 28 September 2011, and will be 45% franked in Australia with nil imputation in New Zealand for New Zealand tax purposes.

DIVIDEND REINVESTMENT PLAN

Directors have approved the continuation of the company's Dividend Reinvestment Plan for the 2011 final dividend. The Plan provides shareholders with the opportunity to reinvest some or all of their dividends in Goodman Fielder shares without incurring brokerage or other transaction costs.

The DRP will be offered at a 2% discount and fully underwritten. The price per share issued to participants will be determined based on the average of the daily volume weighted average sales price of the company's shares traded on the ASX on each of the 10 consecutive trading days from and including the third trading day (3 October 2011) after the dividend record date. Election notices to participate in the DRP must be received by the company's share registry by 5.00pm Sydney time on 28 September 2011 to enable participation in the DRP.

NEW CEO APPOINTMENT

On 1 June 2011 the Board announced the appointment of Mr Chris Delaney as Chief Executive Officer of Goodman Fielder Limited. Mr Delaney has extensive international FMCG experience at executive level, working in the US, Australia, Asia, Europe and the Middle East. He has a track record for innovation in a dynamic market and has helped build some of Australia's most iconic brands. Mr Delaney commenced on 4 July 2011.

OUTLOOK

Given current market conditions and that Mr Delaney is currently undertaking a review of the company's strategy, it is not intended at this time to provide guidance on the company's FY2012 performance. However an update will be given at the company's Annual General Meeting on 24 November 2011.

SEGMENT RESULTS

BAKING

	FY 2011	FY 2010	Variation
Sales	**$1023.3m**	$1065.9m	-4.0%
EBITDA	**$130.5m**	$164.8m	-20.8%
EBITDA margin	**12.8%**	15.5%	-2.7 pts
Free cash flow	**$128.0m**	$172.9m	-26.0%

The company's Baking business had a solid first half for the financial year followed by a very difficult second half, with full year EBITDA down 20.8% on the prior year to $130.5 million and sales down 4.0%.

In the first half of the financial year the Baking business continued to perform to expectations with solid EBITDA growth and an improvement in EBITDA margin. However conditions deteriorated in the second half with the impact of higher prices for commodities and energy, increasing the company's input costs, and the retail market experiencing low to negative food price inflation with deep discounting and a resurgence of private label products.

The increase in commodity costs made price recovery essential to maintaining the business' profitability level, however this became increasingly more difficult to achieve despite the implementation of price increases on branded product. Fierce retailer competition in Australia resulted in substantial private label product price reductions, generating significant growth in lower margin private label after several years of gradual decline in this segment. Despite the increase in private label bread, the company's bread brands still represent 36.4% of the Australian fresh loaf category at year end.[3]

This changed demand resulted in a less favourable product mix for the company, exacerbated by a reduction in volume following the loss of a private label supply contract and some unfavourable ranging decisions. Unfortunately the business did not reduce manufacturing and logistics overheads quickly enough to compensate for the margin decline.

Nevertheless the company responded with strong customer engagement and collaboration resulting in simplified on-shelf ranging, enhanced promotional strategies and reduced promotional frequency.

Other initiatives such as business process re-engineering and the company's Project NexGen will continue to assist the business to better meet the needs of customers and ultimately also assist in growing volume. Since year end, the business has moved to significantly restructure its cost base to reduce overheads and increase efficiency by restructuring its regional sales,

[3] Source: Aztec

finance, manufacturing and supply chain structures. This has effectively reduced overheads in the business by $11.0 million annualised. The business is also in the process of introducing a new go-to-market strategy designed to improve on-shelf availability, optimise trade promotional expenditure, and minimise the cost of service.

During the period the business was also impacted by natural disasters in Queensland, Victoria and New Zealand, the most serious being the February earthquake in Christchurch which forced the closure of the bread plant due to damage.

Over the year, investment in R&D, marketing and overall skill capability has been maintained and will assist the business to increase sales. A number of new product variants have been launched which have contributed to maintaining Helga's as the category leading brand and Wonder White as Australia's best selling bread. Wonder White Hi Fibre Plus was also named Fresh Bakery Product of the Year for 2011 in Australia's largest independent consumer survey of new products. At year end Helga's and Wonder White represented 22% of the Australian fresh loaf market[4]. In New Zealand a new gluten free plant was developed at the company's Huntly site and since year end a range of gluten free bread, cakes and cookies has been launched onto the New Zealand market.

During the period the company announced that it was establishing an artisan bread manufacturing facility in Western Sydney. This specialty segment is one of the fastest growing in the fresh baking market and the company is leveraging off the experience gained from its pilot plant in Melbourne which has been operating for a number of years as a test bed for market entry. This facility is being established at the company's Erskine Park site but the capital expenditure has been reduced from the $65 million originally envisaged to less than $20 million.

HOME INGREDIENTS

	FY 2011	FY 2010	Variation
Sales	**$477.6m**	$496.8m	-3.9%
EBITDA	**$96.0m**	$96.4m	-0.4%
EBITDA margin	**20.1%**	19.4%	0.7 pts
Free cash flow	**$106.0m**	$87.4m	21.3%

The company's Home Ingredients division had a challenging year and returned a flat EBITDA result of $96.0 million. Sales revenue fell by 3.9% to $477.6 million.

The main influences on this result were higher commodity costs in the second half, increasing challenges from private label offerings, and retail food price deflation. In order to protect brand positions through this period, a more aggressive stance was taken on promotional strategy despite significant input cost pressures. Raw material cost increases were mitigated through cost efficiency gains and price increases.

The business further protected market share through increased marketing support investment in the spreads, cake mix and pastry categories. As a result MeadowLea, White Wings and Pampas improved or maintained market position. A premium cake mix range under the Donna Hay name was launched successfully towards the end of the period, following the earlier successful launch of the White Wings biscuits range.

[4] Source: Aztec

The company's Erskine Park liquid grocery plant in western Sydney is performing to expectations while increasing volumes at the biscuit plant at Carole Park in Brisbane is driving an improved level of utilisation in the plant. A review of manufacturing assets across the four Home Ingredients sites has been initiated to ensure that assets are providing the optimum mix of quality, efficiency and safety.

DAIRY

	FY 2011	FY 2010	Variation
Sales	**$422.5m**	$441.1m	-4.2%
EBITDA	**$51.1m**	$60.3m	-15.3%
EBITDA margin	**12.1%**	13.7%	-1.6 pts
Free cash flow	**$45.4m**	$79.6m	-43.0%

The Dairy division experienced a 4.2% reduction in sales on the prior year to $422.5 million and a 15.3% reduction in EBITDA to $51.1 million. Unfavourable currency exchange rates negatively impacted EBITDA by $2.5 million. On a constant currency basis, the reduction in EBITDA from FY2010 was 11%.

In the first half of the year the business was able to weather the significant increase in input costs, mainly raw milk pricing which increased by around 50% over the full year to an all-time high.

Prompt cost recovery on branded products in the marketplace reduced the impact on the business' results in the first half. In the second half increasing input costs became more difficult to recover as continuing difficult economic conditions reduced consumer confidence and strengthened consumer resistance to price rises. This was made more challenging after our major competitor froze the pricing on its consumer products.

The company's long term private label milk supply contracts include cost rise and fall clauses, and this provision meant that the impact of input cost increases in this segment was mitigated to some extent.

The devastating earthquakes in Christchurch also impacted the Dairy business, creating significant increases in the cost of doing business as a result of reduced milk sales and increased distribution costs. Fortunately both the fresh and UHT milk plants sustained only minor damage.

New product development continued with the launch of new calcium enriched milk products under the Calci Strong banner and, since year end, the launch of a "For Everyone" flavoured milk range under the sponsorship of three All Black NZ national rugby players. The Kiwi bacon range was repositioned to a 100% New Zealand sourced product, while the Heritage bacon range is now promoted as a free-farmed product. Other new products included an extension of Meadow Fresh Smooth Yogurt into six-packs and one kilogram packs, the launch of additional Puhoi Valley yogurt flavours and the introduction of two children's licensed products into UHT milk.

ASIA PACIFIC

	FY 2011	FY 2010	Variation
Sales	**$299.2m**	$305.6m	-2.1%
EBITDA	**$58.5m**	$57.8m	1.2%
EBITDA margin	**19.6%**	18.9%	0.7 pts
Free cash flow	**$58.3m**	$57.7m	1.0%

The company's Asia Pacific business reported EBITDA of $58.5 million and revenue of $299.2 million, both in line with the previous year. The business experienced strong local currency growth, but EBITDA was adversely impacted by unfavourable currency exchange rates, which reduced EBITDA by $8.5m. On a constant currency basis, Asia Pacific's EBITDA growth was 16% on FY2010.

Operations in Papua New Guinea continued to perform strongly with a new management team in place and double digit EBITDA growth was achieved. A particular stand-out was the growth of the Flame brand driven by a combination of share gains and category growth.

In Fiji, strong consumer demand for poultry underpinned continued growth in the Crest brand. The company commenced a production capacity expansion plan in the year which is expected to continue over the next few years. The project is focused on addressing volume opportunities in both the domestic and export markets.

In Asia, the business has continued to increase dairy sales across the region, particularly Meadow Fresh UHT milk, as the business looks to service demand and grow sales. A new product development pipeline was initiated to support the development of the Meadow Fresh brand, with branded yogurt, cream cheese and shredded cheese supporting the UHT milk offering. The Puhoi brand has also been launched into the region as a super premium yogurt brand. In China, branded bakery ingredients volumes remained steady compared to the prior year, but margins were impacted by significant increases in commodity costs.

INTEGRO

	FY 2011	FY 2010	Variation
Sales	**$333.6m**	$350.7m	-4.9%
EBITDA	**$40.3m**	$27.9m	44.4%
EBITDA margin	**12.1%**	8.0%	4.1 pts
Free cash flow	**$17.3m**	$36.9m	-53.1%

The Integro business reported a strong increase in EBITDA, up by 44.4% to $40.3 million. This performance resulted from an improved business mix that included an increased level of value added dairy sales and less reliance on commoditised oils. Commodity costs remained volatile throughout the year which continued to challenge the business.

The proposed sale of the Integro business, which was commenced in February 2009, was eventually abandoned in November 2010 following the ACCC's decision to oppose the sale. Consequently the business spent some 22 months effectively "on hold". Following the decision not to proceed with the sale, the business has consolidated its market position, restructured the sales function, consolidated and strengthened the new product development process, and focused on higher value added offerings. Factory trials are underway on two new business propositions in new market segments.