our homegrown food company

Goodman Fielder Limited
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24 November 2011

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WELLINGTON
NEW ZEALAND

Goodman Fielder Limited 2011 Annual General Meeting – Chairman's Address and Address by Chairman of Human Resources and Remuneration Committee

As required by ASX Listing Rule 3.13.3, I attach the addresses of the Chairman of the Board and the Chairman of the Human Resources and Remuneration Committee which will be delivered to shareholders at the Annual General Meeting today.

The attached documents will be available on Goodman Fielder's website once released to the market.

Yours sincerely,

JONATHON WEST
Company Secretary

Address to the

2011

ANNUAL GENERAL MEETING

of

GOODMAN FIELDER LIMITED

by

Mr Max Ould
Chairman

10.30am, 24 November 2011
Sofitel Sydney Wentworth
61 – 101 Phillip St, Sydney

Introduction and Welcome

Good morning ladies and gentlemen. Welcome to the 2011 Annual General Meeting of Goodman Fielder Limited here in Sydney and thank you for your attendance today.

My name is Max Ould and I am the Chairman of Goodman Fielder.

The Company Secretary has advised me that we have complied with the relevant requirements for convening this meeting and that there is a quorum present.

I therefore declare the meeting open.

Before we proceed any further, may I draw your attention to the marked exit doors in the unlikely event that it is necessary to evacuate the building. May I also ask you to please ensure that all mobile phones are either turned off or set to silent.

This meeting is being webcast over the Internet and I welcome those people who are viewing proceedings via the webcast. A recording of the meeting will be available on the company's website later today.

Let me now introduce your Board of Directors:

- Firstly let me introduce Chris Delaney, our newly appointed Managing Director and Chief Executive Officer. We are delighted to welcome Chris here today. Chris joined Goodman Fielder on 4 July and has been working tirelessly since then to stabilise the business and work with the Board to chart a new direction for the company. The Board is very pleased with the significant work that has been undertaken under Chris's stewardship and the progress already made on what is a difficult journey.
- Chris Froggatt – Independent Non-executive Director, Chairman of the Human Resources and Remuneration Committee and Member of the Corporate Risk Committee and the Nomination Committee

- Clive Hooke, Independent Non-executive Director, Chairman of the Audit Committee and Member of the Corporate Risk Committee
- Ian Johnston – Independent Non-executive Director, Member of the Human Resources and Remuneration Committee and the Audit Committee.
- Steve Gregg, Independent Non-executive Director, Chairman of the Corporate Risk Committee and Member of the Audit Committee.
- Peter Hearl, Independent Non-executive Director, Member of the Audit Committee, the Nomination Committee and the Human Resources and Remuneration Committee.

Also sitting here is Jonathon West, Company Secretary and Group General Counsel. We also have the rest of our Executive Management team here with us today in the front row.

Our auditor, David Rogers from KPMG is also present and Mr Rogers will be available later in the meeting to answer any questions you may have in relation to the audit of our accounts.

The Annual Report, incorporating the 2011 financial accounts was published a month ago and copies are available here today. I don't propose to cover the report in detail however I will make a few comments on our performance for the year and then invite our Managing Director to provide further detail.

Goodman Fielder reported a loss of $166.7 million (Net Profit After Tax) for the financial year ended 30 June 2011. This included a non-cash impairment charge of $300 million to the carrying value of the Baking division, reflecting the sharp deterioration of the business in the second half of the financial year, and the realisation that it will take some time to restore the lost value.

The underlying NPAT was a profit of $133.3 million. This was a reduction of more than 17% on the previous year and that performance was not only disappointing but is clearly unacceptable.

Over the second half of the financial year the company came under significant pressure which resulted in a poor trading performance. In fact it was the most difficult period that I can recall in over 40 years in the Fast Moving Consumer Goods sector.

The company faced sharply increased input costs and a significantly reduced ability to recover these costs due to a fiercely competitive retail environment with widespread deep discounting and a lack of consumer confidence and I have to say that our responses were inadequate in countering these rapidly deteriorating trading conditions.

This was exacerbated by the impacts of a series of natural disasters including floods and cyclones in Australia and earthquakes in New Zealand. Our Baking division, and to a lesser extent our New Zealand Dairy business, were severely impacted by these conditions.

The company also suffered some management instability with a number of unanticipated departures of key personnel.

In response the Board moved to strengthen the company's top management with the appointment of our new CEO, and Chris has now embarked on a program of strengthening his own management team with a series of key appointments. This includes the appointment of:

- Mr Shane Gannon as Chief Financial Officer,
- Mr Peter Reidie to the newly created position of Managing Director Goodman Fielder New Zealand,
- Mr Neil Kearney as Chief Strategy and Corporate Development Officer, and
- Mr Pankaj Talwar as category Managing Director Baking.

Chris will be saying more about these appointments shortly.

As well as executive renewal, we have also been undertaking a Board renewal process and three new quality Directors have been appointed over the past two years. However we currently do not have Board representation from New Zealand where we have a major part of our operations and we are currently in the process of addressing this. An orderly Chair succession is also on the agenda and I expect that this would occur within the next 12 months.

Now turning to the company's balance sheet. As at 30 June 2011, net debt was $955 million, an increase of $39 million over the prior year, primarily as a result of the lower earnings in the Baking division during the second half of the year. At the end of the year the company had a net debt to EBITDA ratio of 2.66 times.

During the 2011 financial 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 cancelled $150 million of committed debt that was due to mature in July 2011.

In August the company commenced the process of early refinancing of the 2009 syndicated debt facility of $500 million, due to mature in FY2013, to take advantage of more favourable borrowing conditions. Earlier this month the company announced that this refinancing had been successfully completed. The new facility consists of a A$300 million 3 year tranche maturing in October 2014 and a A$200 million 5 year tranche maturing in October 2016. The pricing for the new facility is below that of the replaced facility and this will generate significant cost savings for the company.

Your Board announced a final dividend for the 2011 financial year 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 was paid on 3 November 2011 and was 45% franked in Australia but with nil imputation in New Zealand for New Zealand tax purposes.

At that time Directors also approved the continuation of the company's Dividend Reinvestment Plan for the final dividend, offered at a 2% discount and fully underwritten. However both the DRP and the underwriting were subsequently cancelled in order to facilitate shareholders participating in the Entitlement Offer which was announced on 27 September.

The capital raising consisted of a fully underwritten 5 for 12 pro-rata Entitlement Offer of new Goodman Fielder ordinary shares at an offer price of A$0.45 per new share to raise approximately A$259 million. The Entitlement Offer was conducted via an accelerated renounceable rights offer with retail rights trading.

The proceeds from the Entitlement Offer, which has now been successfully concluded, will be used to ensure greater balance sheet flexibility for Goodman Fielder so it can pursue medium and longer term value accretive initiatives, and provide additional headroom under Goodman Fielder's financing facilities.

As a result of these initiatives Goodman Fielder now has a conservative balance sheet profile with a net debt to EBITDA ratio of 2 times (pro forma as at 30 June 2011). On a similar basis, interest cover is now 4.7 times, up from 3.7 prior to the capital raising.

At the time of the full year results release in August the company announced the commencement of a Strategic Review to determine the way forward and to recover profitability.

The Strategic Review is underpinned by the realisation that the competitive industry landscape has changed dramatically.

As Chris will explain in greater detail the Review is now well underway and, although not yet complete, it has identified significant efficiency gains and substantial cost savings, some of which have already been realised.

But more fundamentally we need to understand the reasons for our underperformance and fully comprehend our strengths and opportunities. We need to reduce our overhead burden, further deleverage the company, and determine which are businesses and brands that will be the core of our future profitability.

Goodman Fielder employs 7500 people in approximately 90 locations throughout Australia, New Zealand, the Pacific and Asia, and their health and safety is a core value of the company and a primary concern of the Board and management.

We have in place a sophisticated safety incident and injury prevention program which operates throughout the company. A major focus during the year was the further improvement of the implementation of the program throughout all our manufacturing sites.

We track our safety performance closely by monitoring a range of detailed indicators and I am pleased to be able to report that in the financial year just past we 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 financial 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.

The company continues to be active in the communities in which we operate. We support national food banks in Australia and New Zealand, as well as a number of other worthy organisations. Our primary community focus is an outreach project in Sydney run by Open Family Australia where the company sponsors a food and support program for disadvantaged youth. This program is currently planning to establish a similar service in needy areas in Melbourne.

The Board and management constantly strive to keep shareholders, the investment market and other stakeholders fully informed about the company's strategic direction and its progress. The Annual Report forms the foundation of our communications program and this is supplemented by webcasts, the Sustainability Report, the company's comprehensive website, newsletters and media statements. Also critical to this process is our regular program of meetings such as this AGM, other shareholder meetings and analyst briefings which we hold throughout the year.

In closing I would like to express the appreciation of the Board for the continuing efforts of the company's employees, most especially during the last few months when the company encountered a much more difficult business climate. In particular I would like to pay a special tribute to our people in Christchurch who, despite two devastating earthquakes, worked tirelessly to maintain the supply of our products to New Zealand's South Island. The same is also true for our people in Queensland and Victoria who battled through a cyclone and floods to maintain the continuity of the business.

Thank you for your attention ladies and gentlemen and now I will ask our Managing Director Chris Delaney to take you through our company's performance in more detail.

2011

ANNUAL GENERAL MEETING

of

GOODMAN FIELDER LIMITED

Address by

Ms Chris Froggatt
Chairman of the
Human Resources and Remuneration Committee

10.30 am, 24 November 2011
Sofitel Sydney Wentworth
61 - 101 Phillip Street, Sydney

Thank you, Max**.** Good morning, ladies and gentlemen.

I became the Chairman of the Human Resources and Remuneration Committee on the first of January this year and I'm pleased to have the opportunity to address shareholders and hopefully to provide some greater insight into some of the actions taken by the Committee and Board in relation to remuneration and some of the difficult decisions that we have been faced with during the year in connection with executive remuneration.

Goodman Fielder's remuneration philosophy is based on the need to attract and retain high quality directors and employees in order to meet strategic objectives and shareholder expectations. The four key principles by which we operate are:

- To provide competitive rewards to attract, motivate and retain good people
- To ensure that remuneration arrangements are commensurate with the performance of the business
- To clearly align executive rewards with the creation of value for shareholders, and
- To ensure that the balance is right between fixed remuneration and 'at risk' remuneration for executives.

We are mindful of ensuring that we maintain an objective perspective on executive remuneration. As such, in May this year we appointed Mercer as the independent specialist adviser to the Human Resources and Remuneration Committee. Together with Mercer we undertook a review of executive remuneration practices at Goodman Fielder and, in particular, we reviewed the structure of our current incentive plans. The review confirmed the basic structure of the plans, but gave us good insight into some improvements that could be made. One such improvement was the introduction of Total Shareholder Return (TSR) as a key measure for all executives for our long term incentive plan. Previously this measure applied only to the CEO. TSR as a measure ensures that we have strong alignment of management accountability with the creation of shareholder value. For the short term incentive plan, the performance criteria were simplified and an increased focus placed on Group Net Profit after Tax, to more closely link executive rewards to Group performance as a whole.

As you are aware, Peter Margin left Goodman Fielder at the end of April and a new CEO joined the Group in early July. Peter had been the Company's Chief Executive Officer since Goodman Fielder listed on the ASX and NZX in December 2005. A termination payment equal to 10 months salary was made to Peter in accordance with existing contractual arrangements that had previously been agreed between Peter and the Board. In light of the Company's disappointing performance, all of Peter's short-term and long-term incentive entitlements were forfeited at the time he left Goodman Fielder.

In June, the Company announced the appointment of Chris Delaney as its new Chief Executive Officer and Managing Director. In determining the remuneration arrangements for Chris, the Committee sought external advice from Mercer. In securing a CEO of the calibre required to lead our organisation we undertook a global search and established the remuneration package at a level commensurate with the accountabilities of the role, skill and experience requirements and the outputs expected by shareholders and other key stakeholders. The package reflects a competitive level of fixed remuneration, together with levels of incentive that are focused on improving our financial performance and returns to shareholders. It includes a sign-on incentive to attract and retain an executive of Chris' experience and capabilities to lead the Company through the changes necessary in the short and longer term to optimise shareholder value. The agreed arrangements for Chris are set out in the Remuneration Report and will be separately considered by shareholders under the next agenda item.

Senior executive fixed remuneration for the 2011 financial year moved broadly in line with inflation and, due to the disappointing performance of the Group, only a small number of incentive payments were made, largely for the achievement of safety targets in most areas of the organisation. Since the performance measures were not satisfied, no shares were awarded under the long-term incentive plan.

A review of non-executive Director remuneration was conducted in July 2010, and director remuneration for the 2011 financial year also reflected inflationary increases only. For the year ending 30 June 2012, base Board and Committee fees have not been increased. The Board approved increases for two of the Committee Chairs following advice from Mercer regarding remuneration levels for comparable roles and in light of the significant increase in workload for both positions.

As Max has discussed, it has been a difficult year for the Company and the business conditions facing Goodman Fielder and the manufacturing sector as a whole remain extremely challenging. Two significant events occurred during the past few months which affected the Company's financial position and performance and which also impacted the remuneration of the Company’s executives. These events were:

- The impairment charge of $300million to the goodwill of the Baking division; and
- Our capital raising of $259 million.

Max has discussed the impairment charge and the capital raising in some detail and we believed that it was important for shareholders to be aware of the Board’s views regarding the impact of these developments on the Company’s short-term and long-term incentive arrangements. Some shareholders raised concerns that agreed performance hurdles may be easier to achieve as a result of each of these events. This is certainly not the Board’s intention and in assessing achievement of the Group’s 2012 NPAT target, the benefits of a lower interest expense as a result of the capital raising will be excluded. In addition, no adjustments will be made to the number of share entitlements granted under the Company’s long-term incentive plans as a result of the capital raising.

The Board and the Company’s senior executives are well aware that the 2011 financial results and the decline in share price are unacceptable and they are focussed on taking the steps necessary to return the Company to a position of earnings growth. The executive team has been working extremely hard to manage Goodman Fielder through some of the extremely difficult challenges that have faced the Company in the past year and that are continuing to impact our industry sector.

In conclusion, I would like to assure all of our shareholders of the strong, ongoing commitment by your Board of Directors to ensure that remuneration arrangements for the Company, particularly for executive remuneration, are maintained at an appropriate level, consistent with business results and aligned to shareholder interests.