

## **ASX/NZX ANNOUNCEMENT**

**6 May 2009**

### **GOODMAN FIELDER TO INCREASE FOCUS ON CONSUMER BRANDS**

Goodman Fielder has announced that it will be shifting the strategic direction of the company and increasing its focus on the manufacturing and marketing of branded everyday foods.

In making the announcement today, Managing Director Peter Margin said, "As a consequence of our decision to focus on our consumer brand portfolio, we will be exploring options for the divestment of our Commercial edible fats and oils business."

#### **Focused investment on consumer brands**

The company will focus on strengthening its current portfolio of core brands through enhanced product innovation, robust brand support and targeted acquisitions. It will also consolidate its portfolio based on sustainable market positions and look to divest non-core brands.

"We believe that strong brands provide an effective insulation against commodity cost volatility and that innovation and marketing support are the keys to maintaining and enhancing the strength of our brands," Mr Margin said.

#### **Divestment of Commercial fats and oils business**

"Our Commercial fats and oils business processes edible fats and oils and supplies food manufacturers and wholesalers in Australia and New Zealand. As a commercial industrial business we have concluded that it does not fit comfortably with our major strategic focus, unlike the rest of our portfolio which is predominantly retail focused.

"Accordingly we feel that the funds employed in this business would be better directed elsewhere," Mr Margin said.

Goodman Fielder will gauge the degree of interest from potential acquirers of the business and look to divest the business, subject to acceptable terms, pricing and conditions being offered.



## **Building a world-class delivered cost base**

Goodman Fielder has made considerable progress over the past few years in increasing manufacturing efficiency through plant consolidation and investment in new plant and equipment.

"The company will continue to focus on the goal of achieving competitive advantage by being the lowest cost manufacturer, developing the most efficient daily fresh distribution network and further enhancing our information platform, including developing our e-commerce capabilities with our major trading partners," Mr Margin said.

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### **For further information contact:**

Ian Greenshields  
Director Corporate Affairs  
+61 3 8336403  
+61 419 344 811

*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 Meadow Lea, Praise, White Wings, Pampas, Mighty Soft, Helga's, Wonder White, Vogel's (under licence), Meadow Fresh and Irvines. Our products cover every meal, including breakfast, lunch, dinner and snacks. We produce bread, milk, margarine, flour, dressings, condiments, mayonnaise, frozen pastry, cake mix, pies, savouries, smallgoods, chilled and frozen pizza, desserts, sauces, vinegar and cooking oils. Goodman Fielder is also the largest supplier of edible fats and oils to Australian and New Zealand food manufacturers and wholesalers and the largest supplier of flour to New Zealand commercial customers.*