

## ASX/NZX ANNOUNCEMENT

23 December 2013

### **GOODMAN FIELDER MAKES FURTHER PROGRESS ON STRATEGY TO OPTIMISE PORTFOLIO WITH DIVESTMENT OF BISCUITS BUSINESS**

Goodman Fielder has made further progress on its strategy to optimise its product and brand portfolio, today announcing it has entered into an agreement to sell its Biscuits business in Australia to Green's Food Holdings ("Green's").

The divestment forms part of Goodman Fielder's ongoing strategy to optimise its portfolio by refocusing its marketing and capital expenditure on its core categories and brands where it has profitable, market leading positions.

The Biscuits business produces a range of sweet and savoury biscuits including cookies, creamies & fancies, plain & shortbreads, chocolate and crackers. Major brands include Paradise, Cottage, Vive and Veri Deli. Under the agreement, Goodman Fielder will also licence Green's to use the White Wings brand for biscuits only for a fixed term.

Green's is an Australian food company which manufactures, markets and distributes a range of products, including cake mixes, breakfast cereals snacks and savoury biscuits under brands including Green's, Lowan, Poppin, Waterthins and Roccas Deli.

Goodman Fielder CEO, Chris Delaney, said the transaction was consistent with the company's strategy to focus on its core categories and represented the best outcome for staff currently working in the Biscuits business.

"The Biscuits business is not core to our Grocery division and we formed the view that this business can maximise its potential under different ownership.

"For Goodman Fielder it allows us to concentrate our internal resources and investment on our core brands within the Grocery division where we have profitable, category leadership positions including Spreads, Flour & Cake Mix and Dressings & Mayonnaise."

The transaction is expected to be completed by the end of February 2014.

Total net proceeds are expected to be approximately A\$17 million, including net cash proceeds of receivables and payables of approximately A\$10 million. Net proceeds will be used to reduce net debt and further strengthen Goodman Fielder's financial position.

As a result of the divestment, Goodman Fielder expects to record a non-cash impairment charge after tax against the Biscuits business in the range of A\$50-55 million, which will be recorded as a significant item in the company's FY14 interim accounts.

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

Martin Cole  
Director, Corporate Affairs  
+61 2 8899 7272