Goodman Fielder Limited
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26 October 2009

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Company Announcements Office
ASX Limited
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SYDNEY NSW 2000

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Level 2, NZX Centre
11 Cable Street
WELLINGTON
NEW ZEALAND

Goodman Fielder Limited – 2008/09 Shareholder Review

I attach Goodman Fielder's 2008/09 Shareholder Review, which will be available on Goodman Fielder's website www.goodmanfielder.com.au once released to the market. Copies are also available on request by contacting our Sydney corporate office.

Yours sincerely,

JONATHON WEST
Company Secretary

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Goodman Fielder

FOCUS ON INNOVATION

Goodman Fielder
Shareholder Review 08/09

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Contents

The information contained in this Shareholder Review is derived from, but does not constitute, the Company's 2008/09 Annual Report. For more information, please refer to the Annual Report, which can be viewed on www.goodmanfielder.com.au or can be obtained from the Company Secretary on request.

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Goodman Fielder has been part of daily life for a century and generations of Australians and New Zealanders have grown up with our brands in their pantry and kitchen.

During the year Goodman Fielder continued to focus on building for the future by pursuing manufacturing efficiency, optimising its logistics platform and investing heavily in brand support.

INNOVATION ACROSS PRODUCTS AND PROCESSES

We sell our products into two key markets:

1

Retail grocery market

We supply branded and private label packaged baked goods, spreads, dairy products, smallgoods, sauces, dressings and condiments, convenience foods and various other grocery products to supermarkets and convenience stores (including service stations).

2

Commercial and food services market

We supply bulk and packaged edible fats and oils and flour products to food manufacturers and wholesalers in both branded and unbranded format.

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Our mission is to meet our customers' needs for superior quality and nutritious everyday foods with brands that are trusted by families everywhere.

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Overview

Goodman Fielder is Australasia's leading listed food company.

The Company has an excellent portfolio of consumer food brands that are household names in Australia, New Zealand and the Pacific Islands. These include Meadow Lea, Praise, White Wings, Edmonds, Pampas, Mighty Soft, Helga's, Wonder White, Vogel's (under licence), Meadow Fresh and Irvines.

Our products cover every meal occasion, including breakfast, lunch, dinner and snacks. We produce and market bread, milk, yogurt, cheese, margarine, flour, dressings, condiments, dips, mayonnaise, frozen pastry, cake mix, biscuits, 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.

The Company has the number one or number two positions in most of the larger product categories in which it competes. This leading product offering is supported by a large-scale, efficient distribution network that enables delivery of the Company's products to over 30,000 outlets every day, including supermarkets, convenience stores and food service customers.

The Company is headquartered in Melbourne and Sydney, employs over 7,000 people at around 90 locations and has operations in eight countries: Australia, New Zealand, Papua New Guinea, Fiji, New Caledonia, Indonesia, the Philippines and China.

Our Vision, Mission, Purpose and Values

Our Vision

In five years we want to be:

- Australasia's leading food company characterised by:
  - a product range of quality, nutritious foods that are used every day
  - an outstanding portfolio of iconic local brands
  - a deep knowledge and intimacy with our customers and consumers
  - most efficient local production assets
  - lowest cost supply chain.
- Supported by outstanding capabilities in:
  - lean manufacturing
  - fresh food logistics
  - brand management and product innovation

Our Mission

Our mission is to meet our customers' needs for superior quality and nutritious everyday foods with brands that are trusted by families everywhere.

Our Purpose

Our purpose is to create long-term value for our stakeholders. We are successful in creating value when:

- Our shareholders realise a superior return on their investment
- Our customers and suppliers benefit from our trading relationships
- Our employees are fulfilled with a sense of achievement and recognition
- Our consumers are passionate about our products and brands

Our Values

Our core values are based on:

- Honesty and integrity
- Innovation and responsiveness to our customer needs
- An unwavering focus on health and safety
- The courage to lead change
- Excellence over mediocrity
- A drive to continually improve our cost platform
- Environmental and social responsibility

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Financial Highlights

Sales

Fresh Baking **$983.9m** + Home Ingredients **$529.4m** + Fresh Dairy and Meats **$448.5m** + Commercial **$538.1m** + Asia Pacific **$348.7m**

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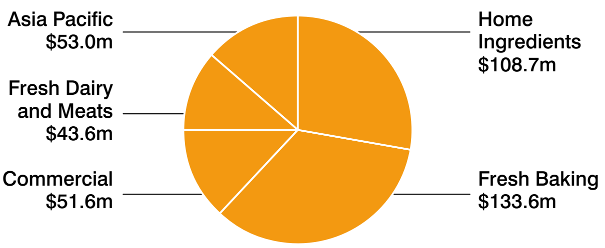
Goodman Fielder Limited

$2,848.6m

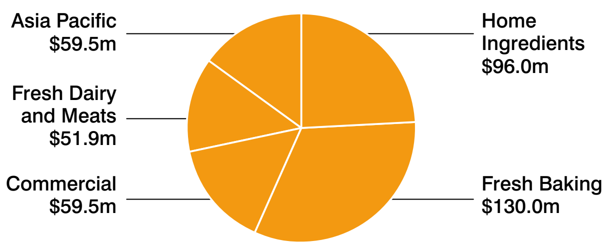
	FY 2009 (1)	FY 2008	Variation
Revenue	**$2,848.6m**	$2,675.4m	6.5%
EBITDA	**$375.0m**	$370.4m	1.2%
Operating cash flow	**$285.1m**	$210.6m	35.4%
NPAT (after outside equity interests)	**$177.1m**	$27.7m	
Cash realisation (2)	**120%**	84%	
EPS	**13.3c**	2.1c	
Dividend	**10.5c**	13.5c	
Net debt	**$999m**	$1,043m	

(1) Revenue, EBITDA and EPS reflect continuing and discontinued operations.
(2) Cash realisation calculated as Operating cash flow divided by (NPAT before outside equity interests plus depreciation). Excludes impact of FY2008 Fresh Dairy impairment charge of $170 million.

EBITDA (3)
Earnings Before Interest, Tax, Depreciation and Amortisation



Free Cash Flow (3)(4)



(3) Excludes Corporate EBITDA and free cash flow.
(4) Operating cash flow before interest and tax.

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Our History

1909 Geo Fielder & Co. Ltd. incorporated in Australia, based in Tamworth NSW.

1951 Geo Fielder & Co. Ltd. becomes public company.

1968 Quality Bakers Co-operative established in New Zealand by Patrick Goodman.

1978 Fielder Gillespie Ltd formed after merger with Gillespie Bros Holdings Ltd.

1979 Quality Bakers changes name to Goodman Group Ltd.

1983 Fielder Gillespie Davis Ltd formed after merger with Davis Consolidated Industries Ltd.

1986 Goodman Fielder Ltd established with merger of Goodman Group Ltd (New Zealand) and Allied Mills Ltd.

1987 Acquisition of Wattie Industries Ltd (New Zealand); name changed to Goodman Fielder Wattie Ltd.

1991 Acquisition of Riga Bakery, Meadowbank.

1992 Name changed to Goodman Fielder Ltd following divestment of Wattie Foods Ltd to H J Heinz.

Acquisition of Wessanen Med Baking.

Acquisition of The Uncle Tobys Company.

1993 Divestment of Goodman Fielder Asia retail operations in Singapore.

1995 Divestment of 64% holding in Goodman Fielder Asia.

1996 New Zealand milling and baking operations consolidated into Milling and Baking Australasia.

Bluebird Foods (New Zealand) and Uncle Tobys joined to form Cereals and Snacks division.

Goodman Fielder International formed.

1997 Divestment of European milling and baking business Meneba N.V.

Acquisition of Defiance Food Industries in New Zealand.

Acquisition of Burns Philp Consumer Foods Division.

Acquisition of outstanding 50% of Taiwanese joint venture, Goody Foods.

1998 Acquisition of the edible gelatin operations of Hormel Foods Corporation.

Acquisition of outstanding two-thirds of Aspak Foods Limited in New Zealand.

1999 Acquisition of 90% interest in Shanghai van Den Bergh Co. Ltd, an edible oils business in China.

Divestment of Steggles Limited, a poultry business, to Bartter Pty Ltd.

Divestment of Vetta Pasta to Greens Foods Limited.

Acquisition of Ernest Adams Limited, the largest baked goods business in New Zealand.

2000 Divestment of Empire Foods Christchurch, New Zealand.

2001 Divestment of Starch Australasia.

Divestment of Leiner Davis, an ingredients business.

2002 Divestment of the Australian milling business to Allied Mills Limited.

2003 Divestment of remaining ingredients sites.

Goodman Fielder Limited is acquired by Burns, Philp & Company Limited.

2004 Acquisition of Natures Oven Limited, a snacks business in New Zealand.

2005 Acquisition of La Famiglia Fine Foods Pty Limited, a frozen and chilled bread business.

Acquisition of Hansells (NZ) Limited's snacks business in New Zealand.

Initial Public Offering of shares in Goodman Fielder Limited on ASX and NZX. Burns, Philp & Company Limited retains The Uncle Tobys Company and Bluebird Foods businesses.

Acquisition of New Zealand Dairy Foods Holdings Limited, a dairy and smallgoods business in New Zealand.

2006 Acquisition of the Country Life and Moores Bakery health bread businesses.

Acquisition of Northern Bakeries bakery business in New Zealand.

2007 Acquisition of La Biscuitière, a snacks business in New Caledonia.

Divestment of SICA stockfeed business in New Caledonia.

Acquisition of the Copperpot, Attiki and Palmyra dips, yogurts and pâté business.

Acquisition of the River Mill Bakeries and Canterbury Flour Mills businesses in New Zealand.

Divestment of the PIC New Zealand Limited piggeries and genetics business.

Acquisition of IDP (Mainland) Limited's dairy business in New Zealand.

2008 Acquisition of Paradise Foods, a biscuit manufacturer.

Divestment of Frosty Boy dairy ice-cream business in New Zealand.

2009 Goodman Fielder celebrates its Centenary year.

Divestment of DYC and Diamond brands in New Zealand.

Goodman Fielder Operations

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Focus on Innovation

Innovation is integral to Goodman Fielder's long-term market success.

At Goodman Fielder, innovation is about identifying the big value creation opportunities, selecting the winners and making them work.

Although 'innovation' is often defined as new product or packaging, innovation in our Company is broader than this. Innovation in Goodman Fielder also encompasses new ways of conducting business, new manufacturing and management processes, internal capability improvement, cost reductions, and providing better service to our customers.

At the heart of our innovation success is our culture, which gives people the autonomy to think differently and empowers them to deliver. Throughout the commentary in this report, you will find reference to recent examples of innovation.

As Australasia's leading listed food manufacturing and marketing company, Goodman Fielder makes new product development a core focus. We compete against some of the world's largest food companies, so we know that we must constantly renew and refine our product offerings to consumers to stay in front.

According to one survey, the majority of households satisfy their grocery shopping needs with just 180 different products or brands. In an average supermarket there are probably more than 10,000 products to choose from. So standing out from the crowd is a difficult but critical task.

For consumers, tastes and habits never stand still. There is always a desire for new experiences and tastes. Even in tough economic times, the appetite for trying out new products is still strong.

If we don't continue to make categories interesting, our consumers will get bored. They will buy less of what they are already buying or switch to another product.

So how do we go about developing a new product? Perhaps surprisingly, new product development is more science than art, with quantified feedback from consumers being the basis for our decisions at most stages throughout the development of a new product.

Consumer insights and behavioural data are first gathered, so that new products are based on more than just anecdotes or personal experiences. These insights can come from many places – overseas markets, similar product categories, retailers, market observations, and how consumers behave in stores.

This information is then fed into an ideas development session, which can produce up to 150 new concepts in a day. From there, a shortlist is generated to allow the best ideas to be further explored. This initial list is determined by a Goodman Fielder team that includes or excludes ideas based on a set of strict criteria, and considers elements such as how unique the idea is, how big it could be, and how the idea fits with our brand.

Then the ideas are tested, with consumers using the internet for the first round of testing. Batches of 35 ideas are sent to 300 to 400 consumers for feedback. They tell us what they think by ranking an idea's uniqueness and interest. Around eight to ten of the highest scoring ideas are selected to move through to a second round of online research.

In this stage further detail about the idea is fleshed out, with branding concepts and potential packaging developed. Here we get a lot more detailed feedback, with consumers providing information about roughly what price they would pay for the product and commenting on the types of marketing messages that would be most relevant to them.

The process to this point takes about three months, but the release of a new product is still some time off.

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However there may be some ideas that are clearly unique, differentiated, have potential mass appeal and perhaps would create a new market segment. These ideas have to be fast tracked. This entails putting dedicated resources towards the project, and, at certain stages, possibly making judgements without the benefit of research. The target is to halve the time of the next steps of the process.

So, usually we would have narrowed the list down to three to five concepts. Now significant internal resources are allocated to these projects, with the ideas going into a rigorous 'Stage and Gate' process.

This has four parts:

- Opportunity assessment
- Business case development
- Approval to launch
- Post-launch review.

This approach demands ever more detailed information as projects progress through. This data covers all aspects of a potential launch: consumer acceptance, financial feasibility, manufacturing and supply chain requirements, the launch marketing plan, sales and distribution plan and targets.

Although the leadership and overall management of a new product launch sits in our Marketing function, as a project enters 'Stage and Gate', every function of a business is intimately involved.

From the consumer side, there are likely to be two further stages of research. The first involves discussions with smaller groups of consumers to refine the most relevant product positioning. How exactly do we talk about the product's qualities? What is the most motivating way to describe the benefits to consumers? What is the best packaging design?

Once all these refinements have been made, several hundred mocked-up products are developed and put into the last stage of research, The In-Home Placement. This involves giving consumers the product to take home and try. These trials provide the critical test, and give the data on a go/no go launch decision. Information on acceptability, price, volumes and marketing expenditure is gathered here, with statistical models then used to look at different launch approaches. It's then time to launch!

Information about how the new product is being accepted by consumers after the launch comes in quickly, almost instantaneously, particularly in our Baking division. For example, with Australian and New Zealand consumers buying a combined average of 3.9 loaves of bread a week, and Goodman Fielder selling six million loaves a week, there is ample opportunity to be tempted by new products. Within two to three weeks, consumer awareness of new products can be measured. A couple of weeks later information is available about how consumers go about considering the purchase of the product, the rate at which consumers are trying the product, and, most importantly, how often they are making repeat purchases.

In summary, innovation is always at the top of the agenda at Goodman Fielder. We are thinking two to three years out and the new product development process is continual, with a pipeline of projects at different stages of development. Innovation is a business critical process and, with targets of up to 30% of revenue to come from new products in three years, this is rightly so.

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The Year in Review

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Goodman Fielder Limited has delivered a solid result for the year ended 30 June 2009, with increased revenue and net profit after tax, and record operating cash flow.

Revenue increased strongly by 6.5% over the prior year to $2,848.6 million while net profit after tax rose to $177.1 million, up from $27.7 million on a reported basis in FY2008.

Earnings before interest, tax, depreciation, amortisation and impairment also rose, from $370.4 million in the prior year to $375.0 million.

The result was achieved despite the continuation of record high agricultural commodity costs throughout most of the period and a significant reduction in consumer confidence as a consequence of the global financial crisis.

The Company successfully weathered the effects of the last three years of high agricultural commodity pricing. Input costs began reducing towards the end of the year and the Company was able to improve gross margins and exit the year in a strong position.

Operating cash flow rose by 35.4%, or $74.5 million, to a record $285.1 million this year.

The ability to generate strong operating cash flow is an inherent feature of Goodman Fielder's business model. The Company's core business of manufacturing, marketing and selling daily fresh everyday foods generates a strong and steady flow of cash which the Company manages carefully to support reinvestment in the business and to maintain a high dividend payout ratio.

The Company has maintained its focus on debtor and inventory management and overall working capital minimisation, resulting in a cash realisation ratio of 120%, up from 84% in the prior year. Working capital has reduced by 23.8% over the period from $209.7 million at 30 June 2008 to $159.7 million at 30 June 2009.

Significant items in the result include the profit on sale of two small non-core brands in New Zealand and the profit from the sale of several manufacturing sites under the Company's sale and lease-back program, offset by some restructuring costs. The net benefit to the Company was $10.6 million (pre-tax).

Finance

The Company continues to maintain a conservative balance sheet with net debt reducing to $999 million as at 30 June and a gearing ratio (net debt to EBITDA) of 2.67 times and debt to (debt+equity [(1)]) of 28.9%.

During the year the Company successfully negotiated two new bilateral revolving A$100 million loan facilities. These committed facilities provide A$150 million of one-year funding and A$50 million of three-year funding. They replace a A$120 million tranche of the Company's syndicated debt facility which expired in April 2009. The Company has commenced the process of replacing a A$700 million syndicated facility which is due to expire in November 2010.

Strategic Focus

In May 2009, the Company announced that it was shifting its strategic direction and increasing its focus on the manufacturing and marketing of branded everyday foods, and that, as a consequence of that decision, it would be exploring options for the divestment of its Commercial edible fats and oils business.

Goodman Fielder believes that strong brands provide an effective insulation against commodity cost volatility and economic uncertainty, and that innovation and marketing support are critical to maintaining and enhancing the strength of its brands.

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

The Company is continuing to consider the potential divestment of its Commercial edible fats and oils business, with a decision on the future of the business to be made later in the first half of FY2010.

(1) Equity is grossed up to remove the impact of reverse acquisition accounting ($842.3 million).

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Commodity Costs

Record-high and rapidly increasing agricultural commodity costs have been a feature of the Company's business environment for the past three years and these conditions continued throughout the greater part of the year.

The severity of the situation ameliorated during the second half as international commodity pricing began to retreat from record-high levels, although significant volatility has continued in the edible fats and oils sector.

By the end of the period, the Company was beginning to realise the benefits of the reduction in commodity pricing, particularly as higher cost inventory levels were progressively cleared. Higher commodity prices added $116 million to the Company's cost base during the period, following a $235 million increase in the prior year.

Economic Conditions

The global financial crisis has created challenging business conditions around the world and Goodman Fielder was not immune to this very difficult trading environment.

A severe recessionary environment has existed in New Zealand since the beginning of calendar year 2008 and extended through the current period. This, plus the continuing tight economic conditions in Australia, has made trading conditions difficult during the year. Depressed consumer confidence resulted in an industry-wide trend of consumers trading down to cheaper alternatives and, as a result, the Company's market shares were impacted in both the bread and dairy categories.

However, the Company's ongoing commitment to developing new and innovative consumer products and product packaging allied with a heavy investment in brand support, is countering this trend. At the end of the period, branded baking market shares in Australia had returned to historical high levels, while in New Zealand it appeared that the decline had been arrested and that the Company's market shares were recovering.

Research and Development

In the previous financial year, the Company embarked on an accelerated research and development program which has already returned results with the successful launches of a number of new products. Lawson's premium bread is now available nationally and has established a commanding market share in its segment. Among a number of other innovations introduced during the period were a new seeded variant of Helga's bread, which was launched into the NSW market and which will be rolled out nationally in the first half of FY2010, and the reformulation and repackaging of the Country Life health bread range.

A new research and development facility will be commissioned in the first half of FY2010. Located in the Company's new head office complex in North Ryde, NSW, the new state-of-the-art culinary centre will be an integral part of Goodman Fielder's ongoing new product research effort.

In the prior year, the Company also launched a new innovative oil supply solution for the food service sector that streamlines the delivery and collection of cooking oils and provides a unique supply management solution to customers. 'Oilstream' was initially introduced into Brisbane and was extended into the Melbourne market during the year. It will be taken into the Sydney market in FY2010.

During the period, the Company invested over $40 million in research and development and is anticipating expenditure at a similar level in FY2010 and beyond.

Manufacturing Efficiency

The pursuit of internal cost savings continued during the year, with increased efficiency being achieved in many parts of the business. The Company has continued to focus on building for the future by pursuing manufacturing efficiency and optimising its logistics platform. A redundant bakery plant at Palmerston North in New Zealand was shut down during the period and the progressive closure of the oils processing facility at Mascot in NSW is proceeding to plan. Restructuring costs during the period amounted to $10.7 million.

Construction of a new state-of-the-art packaged food manufacturing plant at Erskine Park in Western Sydney has been completed and fitting out is proceeding with the plant on schedule for commissioning before Christmas.

The Company is also progressing the development of a new chilled baking facility, which will deliver lowest cost product capability and allow the retirement of the less efficient La Famiglia plant. This project has been slowed while further scoping work is carried out, along with a re-evaluation of the timing of the project to ensure that the best cost financial outcome is achieved.

Acquisitions and Divestments

Two small non-core brands, Diamond and DYC, were divested in New Zealand for a sale price of NZ $12 million. As well, five manufacturing sites were sold and leased back as part of the Company's plan to only hold title to assets where it is essential to the ongoing business, thus freeing up capital that can be more effectively employed elsewhere in the business.

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Appointments

Subsequent to year end, the Board appointed Chris Froggatt as an independent non-executive Director. Ms Froggatt has a background as a senior executive in human resources and more recently has served on the boards of several significant UK-based companies. She has broad industry experience, including beverages, food, confectionery, retailing, hotels, leisure and logistics. Two new executives joined the Company during the year. Peter Reidie was appointed in July 2008 as Managing Director GF Fresh Dairy and Meats in New Zealand, while Stuart Roberts took up the position of Managing Director GF Commercial in October 2008.

Subsequent to year end, Gordon Hardie, Managing Director of the Company's Fresh Baking division, left the Company to pursue other career opportunities.

Information Technology

A major development during the period was the bringing in-house of the management of the Company's IT infrastructure. The move away from the previously outsourced arrangement has resulted in significant cost savings and increased efficiency. The Company also moved its IT infrastructure equipment to new data centres in Sydney and Auckland, which has improved disaster recovery capability.

Further development of our business-to-business IT trading platform was undertaken during the year, which has extended capability to the extent that the Company is now trading electronically with most key customers.

Safety

The health and safety of our employees is one of Goodman Fielder's core values and we are continually reviewing our safety policies and procedures to enhance the safety culture throughout the Company.

However, it is with great sadness that we report that a valued employee lost his life in a tragic workplace accident at our flour mill in Lae, PNG. Immediately following the accident a comprehensive investigation was undertaken by both management and the local authorities, and a variety of measures have been undertaken to reduce the risk of a similar accident occurring in future. The Company has provided ongoing support and assistance to the employee's family and co-workers.

A new Safety Management System (SMS) audit tool designed to help improve the safety performance of our business was rolled out during the year. Goodman Fielder tracks its safety performance by monitoring its Lost Time Injury Frequency Rate (LTIFR) and Significant Injury Frequency Rate (SIFR, which is the number of medical treatment, restricted work and lost time injuries per million employee hours worked).

Our LTIFR for the year was 8.8 and our SIFR was 34.5. Our safety performance has been impacted by the relatively recent acquisition of businesses that have a relatively poor safety history and the continued integration of our newer sites into Goodman Fielder's SMS remains a top priority for FY2010.

Risk

Goodman Fielder's risk management framework sets out the policy, standards and methodologies followed to enable the identification, recording and reporting of risks on a divisional and Group basis.

Detailed risk registers are jointly maintained by divisional management and the corporate risk team. The Executive Risk Committee meets at least three times per year to review risk areas and initiatives on a divisional and Group basis, including strategic business risk. The Corporate Risk Committee reviews risk management reports and then reports to the Board on risk-related matters for the Board's consideration. The Board also receives a monthly report on key risk areas, as well as divisional and Group safety statistics and material safety, health and environmental liabilities and responsibilities.

The Company evaluates the economic balance between self-retention of risks and risk transfer, and has implemented insurance arrangements for risk transfer with international insurers.

Procurement

During the second half of the year, following the establishment of a new position of Group Procurement Director, the Company undertook a review of its procurement structure and procedures to determine the most effective and efficient framework to take the business forward.

As a result, the procurement function has now been centralised and expanded, with a new organisational structure adopted, which includes the purchasing of Direct inputs (including packaging, ingredients and outsourced manufactured products) in addition to its current responsibilities for Commodities and Indirect inputs.

Human Resources

There has been a continuation of the strong focus on building strength in the Company's leadership capability at all levels of the organisation, recognising that leadership strength is critical to achieving positive business outcomes.

Frontline leadership programs in New Zealand have delivered strong practical results and have given employees the opportunity to demonstrate their capabilities and potential for the future.

Considerable work has been undertaken to address issues and establish initiatives in response to the previous year's employee survey. Communication and career development are two areas which were identified as being key to employees feeling engaged with the business, leading to initiatives being developed in both of these areas.

There has been a strong focus on change management, particularly around the establishment of the new site at Erskine Park in Sydney and the integration of the Paradise Foods acquisition in Queensland, the latter requiring the induction of approximately 700 employees.

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The Company has continued to maintain a stable employee relations environment during the transition from the previous government's workplace relations structure to the new environment. Communication with employees is central to success in this area.

Sustainability

Climate change poses significant challenges to the global community and to Goodman Fielder's business. The Company's approach to this issue is focused on reducing our impact on the global climate and preparing for the inevitable changes to the regulatory environment.

During the year, Goodman Fielder engaged an accounting firm to assess the carbon intensity of the supply chain of our Fresh Baking businesses in Australia and New Zealand and to quantify the likely carbon impost associated with the emissions trading schemes that are under development in both countries.

The study confirmed that implementing energy efficiency projects at our manufacturing sites represents the greatest opportunity to both minimise the Company's contribution to global greenhouse gas emissions and reduce the expected financial impacts associated with emissions trading, which is consistent with the Company's existing strategy.

For further details on our approach to climate change and other sustainability issues, please refer to the Company's Sustainability Report, available at www.goodmanfielder.com.au.

GF in the Community

During the year, the Company provided assistance to those impacted by the tragic bushfires in Victoria by making direct cash and product donations. Employees were also encouraged to donate and responded by giving generously.

The Company also continued to donate product to charitable organisations such as Foodbank, Australia's largest hunger-relief charity, and to Auckland City Mission and the New Zealand Salvation Army. Foodbank has acknowledged Goodman Fielder's contribution by presenting the Company with a special 'One Million Milestone Award', recognising the Company's donation of more than a million loaves of bread over the last three years.

The Company recently entered into a partnership with the charity Open Family, to provide a service to help feed the homeless in south-western Sydney. This will see nutritious evening meals being provided from a specially equipped bus to the homeless in the area. Basic medical and drug and alcohol counselling services will also be provided by a nurse and a counsellor from a support bus. The service is scheduled to commence in November 2009.

Goodman Fielder has also introduced a Chairman's Award for Community Service, an annual award that will recognise the employee who is judged to have made the most significant and sustained voluntary contribution to their own local community in terms of their time, expertise or other commitment.

Centenary

This year Goodman Fielder celebrated 100 years in business since the original flour milling company, Geo Fielder and Company Limited, was incorporated on 27 March 1909 in Tamworth, northern New South Wales.

Since being founded, the Company has gone through many variations as it has acquired and divested businesses and merged with other companies and, over the last century, the Company has grown from its initial single flour mill in regional New South Wales to what it is today – Australasia's leading listed food company.

New Corporate Head Office

During the year, the Company committed to moving its head office functions, housed in old premises in Macquarie Park and Sydney, into a new building a short distance away in North Ryde. The building will provide a modern, flexible and functional work environment, with the move completed in early September.

Dividend

Directors announced a final dividend of 6.0 cents per share, bringing the full year dividend to 10.5 cents per share, and representing a dividend payout ratio of 79.6%. The final dividend is payable on 29 October 2009. The record date is 7 October 2009.

Dividend Reinvestment Plan

Directors have approved the continuation of the Company's Dividend Reinvestment Plan for the 2009 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.

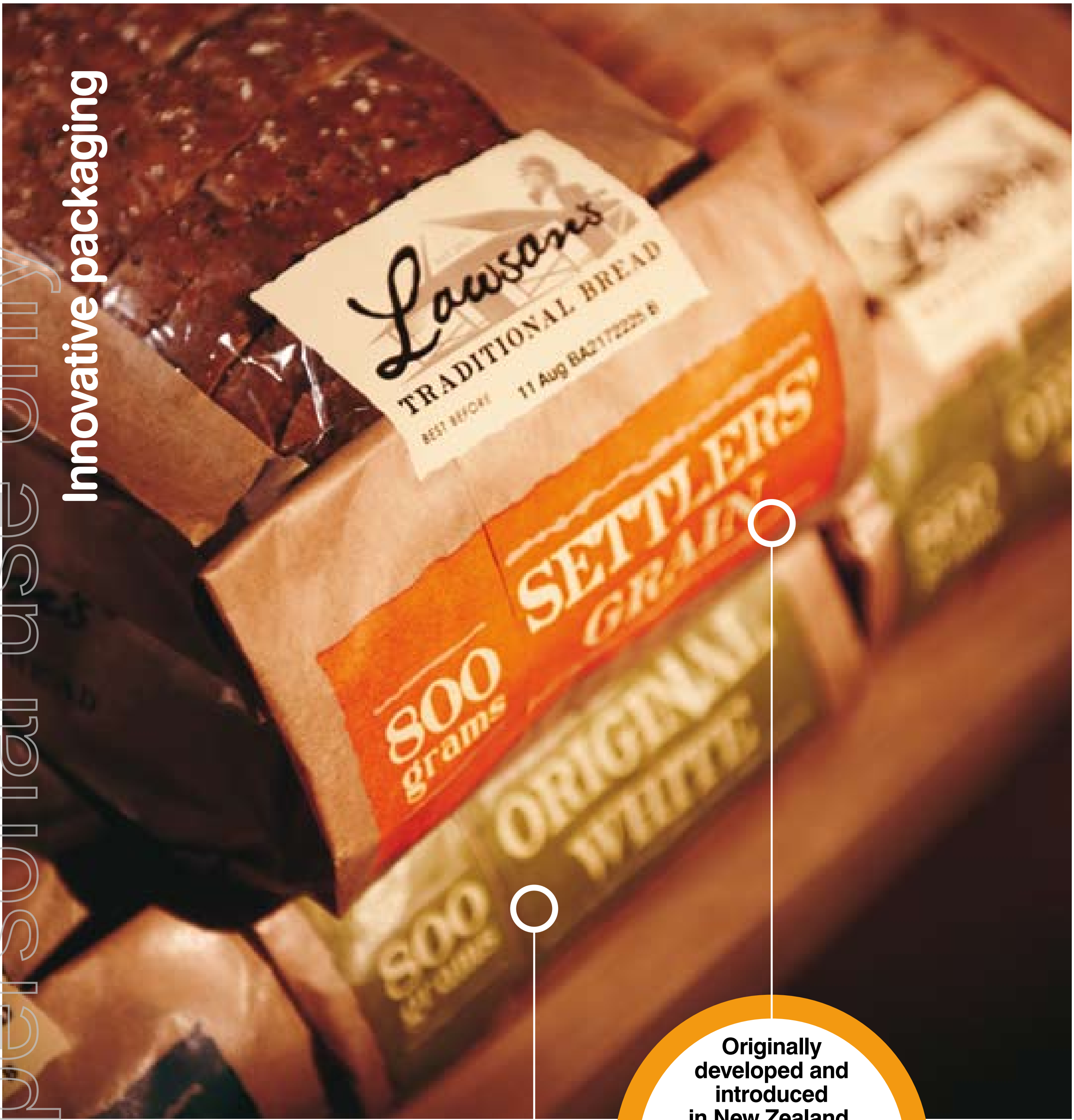
Shares will be allotted under the DRP at a 2% discount to the average of the daily volume weighted average sales price of the Company's shares traded on the ASX on each of the 10 consecutive trading days from and including the third trading day (12 October 2009) after the dividend record date.

Election notices to participate in the DRP must be received by the Company's share registry by 5.00pm Sydney time on 7 October 2009 to be effective for the final dividend. The DRP will be underwritten to 50%.

Outlook

The outlook for FY2010 is encouraging. The Company expects to see efficiency gains resulting from its capital expenditure program and plant rationalisations begin to flow through, underpinned by its strengthened focus on branded everyday foods. The Company will continue to focus on maximising operating cash flow to ensure that it remains in a position to maintain its high dividend payout ratio and to reinvest in the business.

Innovative packaging



Originally developed and introduced in New Zealand, Lawson's was launched in Australia last year and quickly established a 5% market share.

Innovative packaging and display combined with excellent product design attracted consumers to this premium product.

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Fresh Baking

	FY2009	FY2008	Variation
Sales	$983.9m	$995.1m	(1.1%)
EBITDA	$133.6m	$142.5m	(6.2%)
EBITDA margin	13.6%	14.3%	
Free cash flow	$130.0m	$141.5m	(8.1%)

The GF Fresh Baking division is one the largest bakers in Australasia, with a portfolio of brands that are household names in Australia and New Zealand. The business has leading market shares in most of the market segments in which it competes.

The Fresh Baking business experienced difficult conditions over much of the year. For a greater part of the period the business was adversely impacted by the effects of the global financial crisis combined with record-high agricultural commodity pricing. The severe economic conditions created a lessening of consumer confidence and this resulted in consumers tending to trade down to cheaper alternatives, such as private label offerings, putting pressure on the business's market shares.

The business also had to contend with the impact of increased input costs over most of the period resulting from high agricultural commodity pricing. These impacts softened in the latter part of the year as input pricing retreated.

The business responded strongly to these challenges by enticing consumers with new product offerings, robust market support of key brands and through active cost recovery in the market. By year end the Company had re-established its Australian market value share at historical levels around 37%. In New Zealand, where the economy is still in a protracted recession, market shares have been harder to rebuild although, by the end of the period, it appeared that the decline had been arrested.

In the previous financial year, the Company embarked on an accelerated research and development program, which has already returned results with the successful launches of a number of new products. For example, Lawson's premium bread is now available nationally and has established a commanding market share in its segment.

Among a number of other innovations introduced during the period were a new Helga's value-added variant, 'Seed Sensations', which was launched into the New South Wales market and which will be rolled out nationally in the first half of FY2010, and the reformulation and repackaging of the Country Life health bread range.

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Fresh Baking continued

In New Zealand, a new artisan par-baked frozen product was launched under the Freya's brand. This product is purchased by consumers in a partly baked state with the final baking stage completed in the home, providing freshly baked bread with no preparation. The strong McKenzie's bread brand was extended into new pie and hot cross bun varieties.

The Company's La Famiglia chilled bread business grew strongly during the year, with significant sales growth as a result of an increased marketing effort. The business also successfully retained three supermarket private label bread supply contracts during the period.

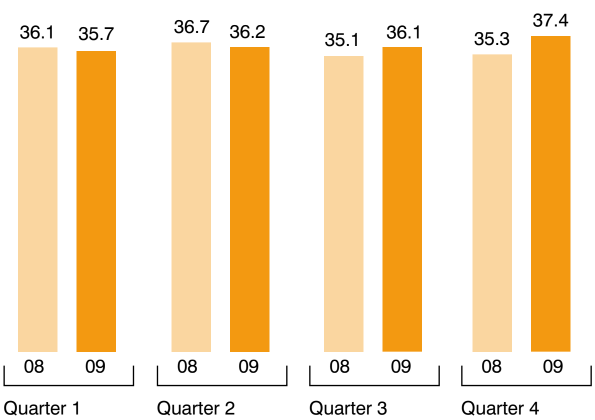
The ongoing pursuit of manufacturing efficiency and the optimisation of its logistics platform were key priorities during the year. The business has implemented a Six Sigma manufacturing improvement process. Six Sigma is a lean manufacturing methodology integrating change management, structured problem solving and project management. Forty-four Black Belts, full-time team leaders of Six Sigma projects, were trained during the year.

The restructure of the business's linehaul operations was completed during the year, with linehaul in New South Wales outsourced to a specialist third party provider and the streamlining of the Western Australian and Queensland networks.

A redundant bakery plant at Palmerston North in New Zealand was closed during the period and the Company continues to progress the development of a new fresh and chilled baking facility. The project has been slowed while further scoping work is carried out along with a re-evaluation of the timing of the project to ensure that the best cost financial outcome is achieved.

Market Share
Australia – Fresh Baking Value Share (%)

Source: Aztec



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Innovative product

Recently launched in New Zealand, these artisan breads are sold partly baked so the final baking is completed in the home.

Baked in a traditional stone oven and using methods dating back to the 1800s, Freya's has brought bread back as a centrepiece on the dinner table.

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Innovative relaunch

The new Veri Deli range of savoury biscuits – great tasting, permissible, everyday snacks.

Made in Australia and free from artificial colours and flavours with no added MSG.

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Home Ingredients

	FY2009	FY2008	Variation
Sales	$529.4m	$424.6m	24.7%
EBITDA	$108.7m	$101.8m	6.8%
EBITDA margin	20.5%	24.0%	
Free cash flow	$96.0m	$94.9m	1.2%

Our Home Ingredients division posted a 24.7% increase in sales revenue for the year, driven by the Company's entry into the biscuit market and also by strong category growth resulting from the return of consumers to 'in-home' cooking.

The biscuits business, acquired in the prior year, has now been fully integrated and is performing to expectations. Subsequent to year end, the Company's biscuit range has been repackaged and relaunched, with a new savoury biscuit product being added to the offering under the Veri Deli brand.

The cost base of the business was adversely affected by high commodity pricing and absorbed $30 million in increased costs during the year. Two small non-core New Zealand businesses, DYC and Diamond, were divested.

The business launched several new products during the year as a result of its strong product development program and has maintained targeted support of key brands. Consequently the business increased or maintained market share in all major categories, despite private label and commodity cost pressures. As an example, the Company is now a clear leader in the retail salad dressings and mayonnaise category.

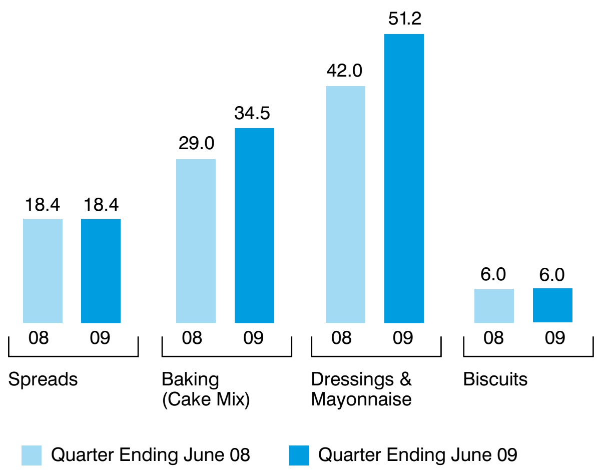
In New Zealand, the business continued its focus on restrengthening the iconic Edmonds brand with the launch of new dressings and mayonnaise during the year.

Construction of a new state-of-the-art packaged food manufacturing plant at Erskine Park in Western Sydney has been completed and fitting out is proceeding, with the plant on schedule for commissioning before Christmas.

The plant will put the Home Ingredients business on a firm operational footing, as it will not only increase efficiency and reduce production costs significantly, but will also support future growth and innovation in the liquid grocery sector. As well, it will offer the opportunity for the Company to expand into new areas.

Market Share
Home Ingredients Value Share (%)

Source: Aztec



Commercial

	FY2009	FY2008	Variation
Sales	$538.1m	$506.4m	6.3%
EBITDA	$51.6m	$61.8m	(16.5%)
EBITDA margin	9.6%	12.2%	
Free cash flow	$59.5m	$30.7m	93.8%

The export segment has been reclassified from Commercial to Asia Pacific in FY2009 and comparatives have been restated.

The Commercial fats and oils business experienced continued extreme commodity cost volatility and soft market conditions during the year, which resulted in a loss of sales volume, particularly in the first half of the year. This was exacerbated by a highly competitive trading environment which saw aggressive discounting in the marketplace.

Sales volumes returned to the levels of the prior year in the fourth quarter, driven by strong management corrective action and the clearance of higher cost inventory.

By year end, several new contracts had been finalised and are due to commence in the new financial year, with sales expected to improve further. However, commodity cost volatility persists in this business and will contribute to continuing difficult market conditions.

A highlight of the year was the considerable increase in free cash flow generated by the business and a reduction in working capital by 21%.

Major initiatives included manufacturing efficiency improvements, with the impending closure of the Mascot oils plant and the relocation of manufacturing to West Footscray (Victoria) and Murarrie (Queensland), and improved effectiveness of the Commercial sales and marketing functions.

Towards the end of the period the business launched an innovative loyalty program aimed at end users in the food service channel. Early indications are that the initiative has been well received, with acceptance rates running at twice the budgeted level.

'Oilstream', a joint venture with Transpacific Industries, was introduced into the Melbourne market during the year. Oilstream offers a new innovative oil supply solution for the food service sector that streamlines the delivery and collection of cooking oils and provides a unique supply management solution to the Company's customers. It was initially launched in Brisbane in the prior year and will be taken into the Sydney market in FY2010.

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Innovative process

Oilstream is a new innovative delivery, storage and collection system for cooking oil in the food service industry.

Oilstream has been enthusiastically accepted by the industry and take-up exceeds expectations.

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Innovative campaign

Meadow Fresh covered the platform of Britomart Train Station in Auckland with real grass and filmed nine television commercials over 24 hours.

In an innovative advertising campaign, meadows placed in unusual situations symbolise the freshness and natural taste of Meadow Fresh.

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Fresh Dairy and Meats

	FY2009	FY2008	Variation
Sales	$448.5m	$469.9m	(4.6%)
EBITDA	$43.6m	$42.1m	3.6%
EBITDA margin	9.7%	9.0%	
Free cash flow	$51.9m	$47.0m	10.4%

In New Zealand the Company's Fresh Dairy and Meats business performed creditably with an increase in EBITDA for the year to $43.6 million.

The business posted a 39.3% increase in earnings in the second half of the year compared to the first half.

The business had a difficult first half, continuing the trend of the previous year, experiencing high input costs as a result of sustained high commodity costs. In the second half, the business saw the benefits of lower commodity costs and improved margin management, as well as the benefits of various new product and packaging launches.

New dairy products launched in the year were focused on the convenience beverages and yogurt categories. Tararua Real Iced Coffee, a new coffee-based milk drink launched very successfully, as did a long life flavoured milk for children – Calci-Strong. The yogurt category benefited from the launch of a range of kids yogurts. Additionally, the business benefited from a full year's sales of the new one-kilogram yogurt pack and the new Thick and Creamy yogurt range which was launched in the prior year.

Towards the end of the year, the Meats business launched a new range of shaved meats in new easy-use, resealable blister packs.

Profit margins increased consistently through the year as the division focused on its branded business and an extensive cost reduction initiative, discontinuing a significant number of products and withdrawing from unprofitable sales arrangements.

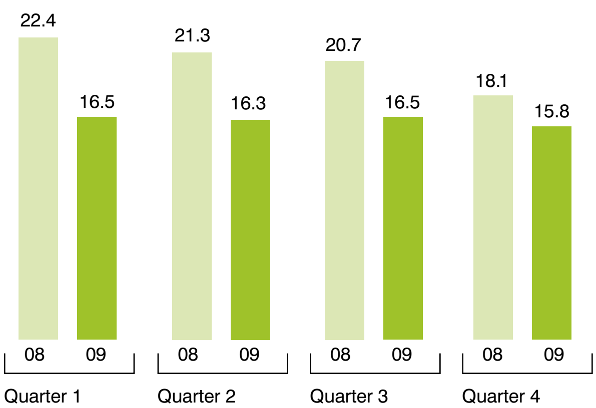
The business maintained volumes across most categories despite consumer drift to cheaper alternatives. By year end this drift had been arrested due to strong product innovation and significant advertising support.

A new and innovative Meadow Fresh advertising campaign was developed, which has been on television subsequent to the end of the year.

A manufacturing and logistics optimisation program has been introduced and is well advanced, with significant improvements made, resulting in enhanced productivity, capability and efficiency. This leaves the business well placed for further profit growth.

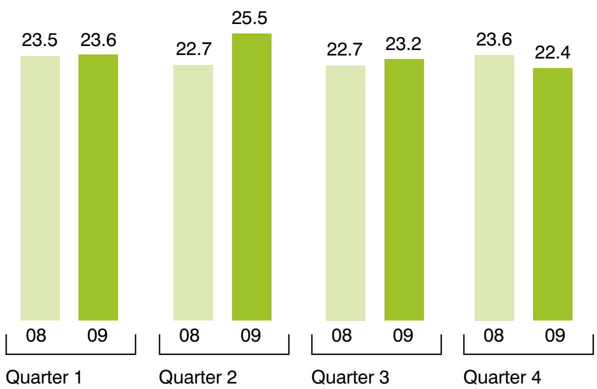
Market Share
Fresh White Milk Value Share (%)

Source: Aztec



Market Share
Yogurts & Chilled Desserts Value Share (%)

Source: Aztec



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Asia Pacific

	FY2009	FY2008	Variation
Sales	$348.7m	$279.4m	24.8%
EBITDA	$53.0m	$40.0m	32.5%
EBITDA margin	15.2%	14.3%	
Free cash flow	$59.5m	$21.1m	182.0%

The export segment has been reclassified from Commercial to Asia Pacific in FY2009 and comparatives have been restated.

Our Asia Pacific business has experienced strong growth during the year, with a 24.8% uplift in sales revenue and a 32.5% increase in EBITDA.

These increases resulted from the adoption of an in-country manufacturing model in China, strengthened management capability and strong price recovery of commodity cost increases. Market shares have remained strong across all categories.

The Company's Chinese manufacturing arrangement with local partner President Nisshin saw the commissioning of a new manufacturing plant near Shanghai in China during the year. For over 30 years, Goodman Fielder has exported edible oil products to China, where Pilot is the leading brand. The move to source our range of margarines and shortenings locally in the Chinese market has made a significant positive contribution to the solid result from the Asia Pacific division and the business continues to grow strongly.

The Company now exports UHT milk into Asia from its processing plant in Christchurch and this business has grown strongly over the past year, with a four-fold increase in volumes. The business believes that strong growth will continue through FY2010.

Other sales initiatives included new vitamin-enriched flour introduced into Papua New Guinea, along with Tuckers ice cream from our Fiji plant. New brioche buns were also launched into the New Caledonia market and fresh yogurt into the Hong Kong market.

Subsequent to year end, a new sales office was opened in Singapore and this is now the hub for the Company's South Asia sales development.

The Company's longstanding joint venture in Indonesia with the Sinar Mas Group has returned a strongly improved performance. The business, which refines and packages edible oils, has been the subject of increased management focus and support, and has responded strongly, with further improvement anticipated.

In the Pacific, the Company has also made significant gains in manufacturing efficiency in its Fiji chicken business and its flour operations in Papua New Guinea.

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Brands that are trusted by families everywhere

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Board of Directors

At 30 June 2009, the Board of Directors of the Company consisted of six Directors – five independent non-executive Directors and the Managing Director. The names and details of the Directors of the Company holding office during the financial year are as follows:

Max Ould BEc

Chairman and independent non-executive Director

Age 62

Experience and Special Responsibilities

Director since 14 November 2005 and Chairman since 31 August 2006. Chairman of the Nomination Committee and Member of the Remuneration Committee. Mr Ould is also a Director of Pacific Brands Limited (appointed February 2004), Foster's Group Limited (appointed February 2004) and AGL Energy Limited (appointed February 2006). He has extensive experience in the Australian food industry, including previous roles as Managing Director of the East Asiatic Company, Chief Executive Officer of Pacific Dunlop's Peters Foods division and Managing Director of National Foods Limited[1] from 1996 to 2003.

Former directorships of other listed companies during the past three years: The Australian Gas Light Company[2], January 2004 to October 2006.

Peter Margin BSc (Hons), MBA

Managing Director and Chief Executive Officer

Age 49

Experience and Special Responsibilities

Managing Director and Chief Executive Officer since 14 November 2005. Mr Margin has extensive experience in the food industry, with a strong record of managing a large Australasian consumer food company which delivered operational efficiency, brand development and profitability growth during his tenure. He joined National Foods Limited[1] in 1997 and held a number of roles prior to becoming Managing Director between July 2003 and November 2005. Mr Margin previously held positions with Simplot as General Manager, Birds Eye Foods; Pacific Dunlop as General Manager, Frozen Foods; Plumrose as General Manager in Marketing; and Heinz, where he held positions in research and development, quality assurance and marketing.

Former directorships of other listed companies during the past three years: None.

Clive Hooke FCPA, FAICD

Independent non-executive Director

Age 63

Experience and Special Responsibilities

Director since 19 April 2007. Chairman of the Audit Committee (appointed 21 June 2007) and Member of the Corporate Risk Committee (appointed 21 June 2007). Mr Hooke has extensive experience as a senior executive and business and financial consultant. He was the Chief Financial Officer of National Foods Limited[1] from 1997 until his retirement in 2004, prior to which he served as Chief Executive of Totalizator Agency Board of Victoria from 1993 until its acquisition by TABCORP in 1994, and as Finance and Strategy Director of Elders Australia Limited (now Foster's Group Limited) between 1982 and 1991.

Mr Hooke is currently the Chairman of Astra Capital Limited[3] (appointed a Director and Chairman in November 2007) and of Big Brothers – Big Sisters Australia Limited.

Former directorships of other listed companies during the past three years: None.

(1) National Foods Limited was removed from the official list of ASX Limited on 22 June 2005 following acquisition by San Miguel Foods Australia Holdings Pty Ltd.

(2) The Australian Gas Light Company was removed from the official list of ASX Limited on 26 October 2006 following the implementation of its scheme of arrangement.

(3) Formerly FCPB Investments Limited.

(4) Veda Advantage Limited, an information and analytics company, was de-listed from New Zealand Exchange Limited on 10 July 2007 and was removed from the official list of ASX Limited on 12 July 2007, following court approval of the scheme of arrangement in relation to the acquisition of all issued shares by VA Australia Finance Pty Limited.

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Ian Johnston BCom, CPA

Independent non-executive Director

Age 62

Experience and Special Responsibilities

Director since 26 May 2008. Member of the Audit Committee (appointed 26 May 2008) and of the Remuneration Committee (appointed 26 May 2008). Mr Johnston has over 30 years' experience with a number of leading companies in the international food and beverage industry. He initially spent 13 years with Unilever in a range of domestic and overseas marketing roles and then joined Cadbury Schweppes as Marketing and Sales Director, Australia/New Zealand. Mr Johnston was subsequently appointed Managing Director of Cadbury's UK business before becoming Managing Director, Global Confectionery of Cadbury Schweppes plc from 1996 until his retirement in 2000.

He then served as President and Chief Operating Officer of The Olayan Group, a privately owned Saudi Arabian conglomerate.

He is currently Chief Executive Officer of Foster's Group Limited (appointed a Director in September 2007 and Chief Executive Officer in September 2008).

Former directorships of other listed companies during the past three years: None.

Hugh Perrett

Independent non-executive Director

Age 70

Experience and Special Responsibilities

Director since 14 November 2005. Chairman of the Remuneration Committee and Member of the Corporate Risk Committee (from 21 June 2007) and the Nomination Committee. Mr Perrett is also a Director of a number of other companies and entities, including AUT Enterprises Limited, Business In The Community Limited and The Christian Healthcare Trust (a charitable trust). He was previously Managing Director of Foodstuffs (Auckland) Limited and Foodstuffs (N.Z.) Limited and is a former Chairman of Loyalty New Zealand Limited and The Bell Tea Company Limited and a former Director of New Zealand Dairy Foods Holdings Limited and New Zealand Dairy Foods Limited.

Former directorships of other listed companies during the past three years: None.

Gavin Walker BCA, MIoD, MINFINZ, MAICD

Independent non-executive Director

Age 57

Experience and Special Responsibilities

Director since 23 February 2007. Chairman of the Corporate Risk Committee (appointed 21 June 2007) and Member of the Audit Committee (appointed 21 June 2007).

Mr Walker has had a lengthy career in investment banking and was the Chief Executive of Bankers Trust Australia Investment Bank between 1996 and 1999. Prior to that, he held the position of Chief Executive Officer of Bankers Trust New Zealand Limited from 1986 to 1996.

Mr Walker is currently a Director of Lion Nathan Limited (appointed March 2000), BT Investment Management Limited (appointed September 2007) and Southern Cross Building Society. He also served as Chairman of the New Zealand Foreign Direct Investments Advisory Board between 1995 and 1997 and is a former Director of Veda Advantage Limited [4], Zintel Group Limited, St Lukes Group Limited, the AMP Advisory Board New Zealand and the New Zealand Rugby Union.

Former directorships of other listed companies during the past three years: Veda Advantage Limited [4], June 2000 to July 2007 and Zintel Group Limited (listed on the NZAX), June 2002 to November 2007.

New Director

Subsequent to year end, the Board appointed Chris Froggatt as an independent non-executive Director. Ms Froggatt has a background as a senior executive in human resources and more recently has served on the boards of several significant UK-based companies. She will hold office until the 2009 Annual General Meeting, at which time she will stand for election by shareholders.

Company Secretary

Mr Jonathon West LLB (Hons), BSc was appointed to the position of Company Secretary and Group General Counsel on 21 December 2005. Prior to his appointment, he held the position of Corporate Counsel, Operations at Burns, Philp & Company Limited. Mr West was admitted as a legal practitioner in 1991. He has over 17 years of private practice and in-house experience.

Senior Management

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Geoff Erby
Managing Director,
Home Ingredients

Stuart Roberts
Managing Director,
Commercial

Peter Reidie
Managing Director,
Fresh Dairy and Meats

Andrew Hipperson
Managing Director, Asia Pacific

David Goldsmith
Chief Financial Officer

Jonathon West
General Counsel/Company Secretary,
Group Commercial Director

Rob Hilditch
Chief Information Officer

David Clark
Group Human Resources Director

Ian Greenshields
Director Corporate Affairs

Gordon Hardie, Managing Director, Fresh Baking, left the Company in September 2009. A search has been undertaken to identify a replacement for Mr Hardie.

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Corporate Governance Statement

The Directors and management of Goodman Fielder are committed to operating the Company's business ethically and in a manner consistent with high standards of corporate governance. The Directors consider the establishment and implementation of sound corporate governance practices to be a fundamental part of promoting investor confidence and creating value for shareholders, through prudent risk management and a culture which encourages ethical conduct, accountability and good business practices.

Goodman Fielder's corporate governance statement for the year ended 30 June 2009 has been prepared with reference to the Corporate Governance Principles and Recommendations ('Recommendations') issued by the ASX Corporate Governance Council in August 2007 and, except where stated, Goodman Fielder has complied with the ASX Corporate Governance Council's Recommendations and the NZX Corporate Governance Best Practice Code. In adopting these corporate governance practices, the Directors have considered the regulatory requirements and corporate governance guidance in both jurisdictions, as the Company is listed on the Australian Securities Exchange (ASX) and is a dual listed issuer on the New Zealand Exchange (NZX).

The Company's corporate governance charters and policies referred to in this Statement are available in the corporate governance section on its website.

Principle 1: Lay Solid Foundations for Management and Oversight

1.1 Board of Directors

The Board is responsible for the corporate governance and overall performance of the Company and the Group and for providing strategic guidance for the Group. The Board's responsibilities encompass the setting of key objectives, monitoring performance and ensuring the Group's internal control, risk management and reporting procedures are adequate and effective.

1.2 The Role and Responsibilities of the Board and Senior Executives

The role and responsibilities of the Board are formally set out in its charter. The Board charter identifies the functions reserved for the Board and those delegated to senior executives.

The Board's key responsibilities include:

- ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision-making throughout the Group;
- approving the Company's strategic direction, budgets and business plans and monitoring performance against those plans; and
- overseeing the management of Director and executive performance evaluation, remuneration and succession planning.

The Board has delegated to the Chief Executive Officer (CEO) and certain senior executives the authority and powers necessary to implement the strategies approved by it and to manage the day-to-day operations and administration of the Company, within the policies and limits to delegation specified by the Board from time to time.

Letters of appointment have been provided to all non-executive Directors, covering responsibilities, time commitments, performance evaluation, indemnity and insurance arrangements and induction and development. The responsibilities and terms of employment of the CEO, Chief Financial Officer (CFO) and other senior executives of the Group are also set out in formal contracts of employment.

1.3 Performance Evaluation of Senior Executives

Annual performance objectives are set at the beginning of each financial year for all senior executives of the Group. These performance objectives include both financial and non-financial measures. Performance is reviewed every half year with the executive's manager and a year-end evaluation is conducted to assess performance against the executive's key result areas (KRAs) and the responsibilities and demands of their role. The outcome of the performance review process is reflected in tailored training and development programs and succession planning for each executive, as well as an annual remuneration review. For the year ended 30 June 2009, half-year performance reviews were conducted in January 2009 and annual performance reviews were undertaken in August 2009.

The Remuneration Report on pages 40 to 53 of the 2008/09 Annual Report contains further information regarding the process for evaluating the performance of senior executives for the purpose of determining their fixed and variable remuneration.

1.4 Executive Induction Programs

Senior executives are able to attend formal induction programs which provide an overview of the Group, its divisions and brands, and its key policies and processes. Meetings are arranged with other senior executives in the Group to brief the new executive on the Group's businesses, strategic objectives, risk management practices and other information necessary to meet the requirements of their role. Site visits are also arranged to familiarise the executive with the Group's operations and to develop relationships with key manufacturing personnel.

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Principle 2: Structure the Board to Add Value

2.1 Composition of the Board

The Board charter sets out the composition of the Board and its Committees, the responsibilities of Directors and relevant criteria for assessing the independence of Directors.

The Board comprised five non-executive Directors and one executive Director for the year ended 30 June 2009. Details of Board members, including their skills, experience, qualifications and term in office, are set out on pages 26 and 27.

On 21 August 2009, the Company announced the appointment of Ms Chris Froggatt as a non-executive Director of the Company, effective from 27 August 2009. Ms Froggatt has over 20 years' senior executive experience as a human resources specialist in leading international companies including Brambles Industries plc and Brambles Industries Limited, Whitbread Group plc, Diageo plc, Mars Inc and Unilever NV. More recently she has served on the boards of Britvic plc and Sports Direct International plc and as an independent trustee director of Berkeley Square Pension Trustee Company Limited. Ms Froggatt is currently a non-executive director on the board of the Australian Chamber Orchestra. She will stand for election by shareholders at the 2009 Annual General Meeting.

2.2 Board Access to Information and Independent Advice

The Board charter expressly acknowledges the importance of Director access to independent professional advice to facilitate the exercise of independent judgment on matters arising in connection with their duties. Any of the Directors may obtain external independent professional advice relating to his or her duties as a Board or Committee member, at the Company's expense and subject to prior consultation with the Chairman or Chair of the Committee, as appropriate. To the extent required to enable them to carry out their duties, all Directors also have access to Company information and records and may consult management and employees as required.

2.3 Independence of Directors

The Board charter adopts the criteria set out in the Recommendations as a guide in assessing the independence of individual Directors. The materiality thresholds for determining independence are assessed by the Board on a case-by-case basis, taking into account the relevant Director's specific circumstances, rather than referring to a general materiality threshold.

Having regard to these criteria, the Board has determined that all Directors of the Company other than Mr Margin, the CEO, were independent during the financial year ended 30 June 2009.

The independence of the Directors is regularly reviewed. In accordance with the Board's charter, all Directors must declare immediately to the Board any actual or potential conflict of interest. Where a conflict of interest arises, the Director concerned will not participate in discussions or vote on any resolution relating to the matter.

2.4 Chairman

Mr Max Ould, an independent non-executive Director, has held the position of Chairman of the Board since 31 August 2006. While Mr Ould is also a non-executive Director of three other listed companies, the other Directors of Goodman Fielder are comfortable that his responsibilities as a Director of Foster's Group Limited, AGL Energy Limited and Pacific Brands Limited do not detract from his effective performance as Chairman of the Board.

The roles of CEO of the Company and Chairman of the Board are separate and the CEO cannot become the Chairman of the Board during his term as CEO or within five years of the expiration of that term. This is consistent with the Company's policy to maintain an appropriate division between the roles and responsibilities of the Board and management. The Chairman is responsible for the leadership of the Board, setting its agenda and ensuring the Board is effective, and conducting Board and shareholders' meetings.

2.5 Board Processes

The Board holds at least 12 scheduled meetings a year, and other meetings are called as necessary to address any specific matters that may arise. A full-day Board meeting is held at least every second month (in conjunction with meetings of the Board Committees), and will generally include a site visit and a detailed review of one of the business divisions. Board teleconferences are held during the other months, with the Directors receiving comprehensive monthly reports from the CEO, CFO and Group General Counsel and Company Secretary, along with additional briefing papers on matters for the Board's attention.

Details of Directors' attendances at meetings during the 2009 financial year are reported on page 34 of the 2008/09 Annual Report.

To assist Directors in enhancing their understanding of the Company's business, Directors are briefed by members of the executive team on divisional performance and key operational and strategic issues, financial matters, risk management, compliance and governance. The Directors are also provided with an explanation of those proposed activities of the Group which require Board approval.

The Company Secretary is responsible for ensuring that Board procedures and policies are followed and provides advice to the Board on corporate governance and regulatory matters. All Directors have unrestricted access to the advice and services of the Company Secretary.

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2.6 Board Committees

The Board has established four Board Committees, each composed of non-executive Directors, to assist in the performance of the Board's responsibilities. Each Committee has a written charter which is approved by the Board and is regularly reviewed and updated as necessary. The Charters of each of the Board Committees are available on the Company website.

Membership of the Board Committees is set out below.

	Audit Committee	Corporate Risk Committee	Nomination Committee	Remuneration Committee
Independent non-executive Directors	Clive Hooke* Gavin Walker Ian Johnston	Gavin Walker* Clive Hooke Hugh Perrett	Max Ould* Hugh Perrett	Hugh Perrett* Max Ould Ian Johnston

* Committee Chairman

Details of Directors' attendance at each Committee meeting during the 2009 financial year are set out on page 34 of the 2008/09 Annual Report. All Directors receive copies of Committee papers and non-executive Directors who are not Committee members may attend Committee meetings by standing invitation.

Chris Froggatt, who has been appointed a non-executive Director of the Company effective from 27 August 2009, has also been appointed a member of the Corporate Risk Committee and Remuneration Committee.

To enable each of the Committees to discharge their responsibilities adequately and effectively, each member of the Committee has the authority to retain advisers and external legal counsel as appropriate, subject to prior consultation with the Chairman of the Committee.

Each Committee reports to the Board and, following preparation of the minutes of each Committee meeting, provides the Board with copies of those minutes at the next occasion the Board meets.

2.7 Nomination Committee

The Nomination Committee is responsible for periodically reviewing and considering the structure of the Board, assessing the skills and competencies required on the Board and making recommendations regarding appointments, retirements and terms of office of Directors.

The composition of the Board is assessed by the Committee to ensure that the Board continues to comprise Directors with a mix of qualifications, experience and expertise which will assist the Board in fulfilling its responsibilities, as well as assisting the Company in achieving growth and delivering value to shareholders.

The Committee is also responsible for assessing the competencies of potential Board candidates; recommending candidates for election or re-election to the Board; reviewing Board succession plans and induction procedures for new appointees to the Board; establishing processes for the review of performance of individual Directors and the Board as a whole, and arranging annual performance evaluations of the Board, its Committees and individual Directors.

The Nomination Committee has a formal charter, approved by the Board, and a policy and procedure for the selection and appointment of new Directors to the Board.

Composition

The current members of the Nomination Committee are Max Ould (Chairman) and Hugh Perrett, both independent non-executive Directors. The Board may appoint additional non-executive Directors to the Committee or remove and replace members of the Committee by resolution.

Meetings of the Nomination Committee

The Committee charter provides that the Committee will meet at least once each calendar year on a formal basis and additionally as circumstances may require. Although no formal meetings were held during the year, all Directors met informally on a number of occasions in connection with the selection and appointment of new Directors and the Board's performance evaluation process.

2.8 Board Performance Evaluation

The Nomination Committee is responsible for arranging performance evaluations of the Board, its Committees and individual Directors. A formal performance evaluation was conducted between May and July 2009 in relation to the 2009 financial year and involved a variety of processes, including Director self-assessment and peer review and assessment of the collective performance of the Board by Directors and key senior executives. As part of the review process, Directors are also asked to assess the Board's current and future resource requirements. The Chairman reviewed the results of the evaluation with the Board, Committee Chairs and each Director and performance objectives established for the 2010 financial year have been documented, along with action plans developed under the guidance of the Nomination Committee to assist in achievement of these goals.

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2.9 Retirement and Re-election of Directors

The Nomination Committee considers and recommends to the Board candidates for election and re-election as Directors. The Company's Constitution requires that non-executive Directors appointed by the Board during the year must offer themselves for election by shareholders at the next Annual General Meeting of the Company. In addition, a non-executive Director may not serve without seeking re-election beyond the third Annual General Meeting following the meeting at which the Director was last elected or re-elected. While the Company's Constitution was amended at its 2008 Annual General Meeting to remove its former requirement that at least two Directors of the Company retire each year, the Board remains comfortable that existing three-year Director rotation requirements under the Constitution and ASX Listing Rules are sufficient to ensure that the Board remains dynamic but maintains a suitable mix of Director skills and experience.

Retiring Directors may offer themselves for re-election by the shareholders. The Board does not impose a pre-determined restriction on the tenure of Directors as it considers that this restriction may result in the loss of vital experience and expertise.

2.10 Director Education

An induction program has been established for new Directors to gain background and insight into the Group's structure, business operations, strategies and policies and guidelines. As part of the program, Directors receive a detailed induction pack (including general information on Directors' duties, rights and responsibilities), meet with key senior executives and are given the opportunity to conduct site visits at significant operational facilities in various locations.

Principle 3: Promote Ethical and Responsible Decision-Making

3.1 Corporate Code of Conduct of Employees

The Corporate Code of Conduct of Employees (Code of Conduct) applies to all Directors, officers and employees of the Group. It underpins Goodman Fielder's commitment to integrity, fair dealing and compliance with the law in its business affairs, and sets out expected standards of conduct with respect to all stakeholders, including fellow employees, customers, suppliers, shareholders and the community.

The Code of Conduct is designed to encourage ethical and appropriate behaviour by all Group personnel, and addresses a wide range of responsibilities to stakeholders, including conflicts of interest, security of information, use of company assets and resources, discrimination and harassment, occupational health and safety and corrupt conduct.

The Code of Conduct encourages employees to raise any matters of concern with the head of their business unit or the Group General Counsel and Company Secretary without fear of retribution.

The Company has implemented a whistleblower hotline to enable employees to report serious misconduct or unethical behaviour within the Group to an external party. The Company also maintains ongoing training and monitoring of relevant staff in the prohibitions and requirements of trade practices and consumer protection legislation pursuant to its Trade Practices Compliance Program. The Company has also established a conflicts of interest register enabling employees to record any interests they have which might conflict with their obligations and duties to the Group.

3.2 Code of Ethics and Conduct of Directors, Senior Executives and Officers

In addition to the Code of Conduct, the Company has adopted a Code of Ethics and Conduct of Directors, Senior Executives and Officers (Code of Ethics) which applies only to Directors and senior management. In establishing these additional requirements, the Company recognises the integral role of these individuals in fostering a culture of compliance and ethical conduct.

The Code of Ethics sets out the Company's requirements for all Directors, senior financial officers and senior executives to promote and engage in ethical behaviour, maintain confidentiality and comply with all applicable laws and regulations, so as to maintain the Group's integrity and its reputation for fair dealing. Individuals are required to report unethical behaviour, fraud and internal control deficiencies to the Chairman of the Audit Committee.

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3.3 Dealings in Company Securities

Directors of Goodman Fielder are required to hold a minimum of 100 shares in the Company. Directors are encouraged to be long-term holders of the Company's shares but are not obligated to invest any portion of their cash remuneration in purchasing additional shares. Directors' interests in shares in the Company are set out on page 38 of the 2008/09 Annual Report.

Directors and employees of the Group are bound by Goodman Fielder's policy on dealing in the securities of the Company. Under the policy, a Director or employee may only buy or sell Company securities during the four week periods commencing on the first trading day on the ASX following the date of the yearly or half-yearly results announcements, the Annual General Meeting or the release of a disclosure document offering equity securities in the Company.

The Company may vary this rule for a particular period by making a general announcement to all employees either before or during the period or at the discretion of the Board.

Senior executives are prohibited from dealing in any derivative which operates to limit their economic risk over shares (or related rights or entitlements to those shares) offered or awarded in connection with their employment with a Goodman Fielder Group company.

Directors must obtain the approval of the Chairman (or, in the case of the Chairman, the approval of the Chair of the Corporate Risk Committee or the Board) before they buy, sell or otherwise deal in securities of the Company. Executives reporting directly to the CEO must obtain approval from the CEO before dealing in Goodman Fielder securities.

Principle 4: Safeguard Integrity in Financial Reporting

4.1 Audit Committee

The Audit Committee assists the Board in fulfilling its responsibility to oversee the quality and integrity of accounting, auditing and reporting practices of the Company. In particular, the role of the Committee is to review the Company's financial reporting, to oversee the independence of the external auditor and to assess the effectiveness and adequacy of the Company's internal control framework.

The Audit Committee has a formal charter approved by the Board. The Committee reports to the Board on all matters relevant to the Committee's role and responsibilities.

The specific responsibilities of the Audit Committee are set out in its charter and include:

- reviewing and assessing the internal and external reporting of financial information;
- assessing management processes supporting the integrity and reliability of the Company's financial and management reporting systems and its external reporting;
- overseeing the relationship with and performance of the external auditor and assessing the independence of the external auditor; and
- overseeing the performance of the internal audit function.

The charter establishes a framework for the Committee's relationship with the internal and external auditor and a policy has been adopted for the selection and appointment of the external auditor and for rotation of external audit partners.

4.2 Composition

The current members of the Audit Committee are Clive Hooke (Chairman), Gavin Walker, and Ian Johnston, all of whom are independent non-executive Directors.

The charter provides for the Committee to have at least three members, all of whom must be non-executive Directors, with a majority being independent. All members must be financially literate and at least one member must have an accounting or financial background. Independent non-executive members must satisfy the independence requirements of the Recommendations. Under the charter a Director may not be both the Chairman of the Committee and the Chairman of the Board.

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Corporate Governance Statement continued

Mr Hooke, the Chairman of the Audit Committee, is a qualified accountant who has held senior finance positions with a number of significant listed companies. Mr Walker, who is also the Chairman of the Corporate Risk Committee, has had a lengthy career in investment banking and held Chief Executive positions within the Bankers Trust Australasia group between 1986 and 1999. Mr Johnston is a qualified accountant who has over 30 years' experience in the international food and beverage industry, including his current position as Chief Executive Officer of Foster's Group Limited.

4.3 Meetings of the Audit Committee

In accordance with its charter, the Committee is required to meet at least four times each year on a formal basis and holds additional meetings as necessary. Meetings are attended by invitation by the other non-executive Directors, with the CEO, CFO, Internal Audit Director and the external auditor, KPMG, attending as required.

The Audit Committee met four times during the year ended 30 June 2009. Details of attendance at meetings of the Audit Committee are set out on page 34 of the 2008/09 Annual Report.

4.4 External Auditor

The external auditor is responsible for planning and carrying out the audit of the Group's annual financial reports and reviewing the Group's half-yearly financial reports. The auditor provides a written confirmation to the Company of their independence in connection with the Company's financial reports for each half-year and financial year.

The external auditor, KPMG, was appointed in October 2005. The lead external audit engagement partner is next due for rotation after the financial year ending 30 June 2011.

The Committee may meet with the external auditor without management being present at any time during each financial year. In respect of the year ended 30 June 2009, the Committee met privately with the external auditor on three occasions. The external auditor is also provided with the opportunity, on request, to meet with the Board of Directors without management being present.

Principle 5: Make Timely and Balanced Disclosure

5.1 Continuous Disclosure

The Company is committed to ensuring that the market and shareholders are provided with complete and timely information. The Company has in place a continuous disclosure policy (Disclosure Policy) to ensure that all price sensitive information is disclosed to the ASX and NZX in accordance with the disclosure requirements of the Corporations Act 2001 and the Companies Act 1993, respectively, and the listing rules of the relevant exchange.

The Company Secretary is responsible for overseeing and co-ordinating disclosure of information to the ASX and the NZX and, as appropriate, to shareholders.

All announcements provided to the ASX or the NZX are posted on the Company's website as soon as practicable after release to the market.

5.2 Commentary on Financial Results and Periodic Disclosure

Goodman Fielder strives to provide investors with sufficient information to make an informed assessment of the Company's activities and results. Results announcements and media/analyst presentations are released to the ASX and NZX and made available on the Company's website. The Annual Report contains an operating and financial review, to assist shareholders in understanding the Company's operating results, business strategies, prospects and financial position.

The Company Secretary is responsible for overseeing and co-ordinating disclosure of results announcements and presentations to the ASX and the NZX, for the issue of the Annual Report to shareholders and for ensuring compliance with the Company's periodic reporting and disclosure obligations under applicable corporations legislation and the listing rules of the relevant exchange.

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Principle 6: Respect the Rights of Shareholders

6.1 Communications with Shareholders

The Company is committed to promoting effective communication with shareholders and seeks to encourage informed shareholder participation at the Annual General Meeting and shareholder information meetings.

Where practical, the Company uses the most recent widely available technology to facilitate communication with shareholders. The Company's website includes links to announcements to the ASX and the NZX and copies of the annual and half-yearly reports, notices of meetings, presentations and speeches by senior executives, the CEO and Chairman and other information released to the market.

Goodman Fielder continues to review and enhance its website and to consider other ways to utilise technology to improve shareholder communications. Webcasts of the Annual General Meeting and results briefings allow access by all interested parties and electronic lodgement of proxies has also been implemented.

Goodman Fielder's Annual Report currently remains one of the principal means of communicating with shareholders, but the Company continues to consider alternative reporting and disclosure processes which will provide clear and effective communication to shareholders about the Company's operations and performance. Goodman Fielder introduced a Shareholder Review for the 2008 financial year to offer shareholders another option for obtaining information about the Company and will issue its first publicly available Sustainability Report prior to the 2009 Annual General Meeting.

6.2 Shareholder Meetings

Shareholders have the opportunity to raise matters at the Annual General Meeting with the members of the Board. The external audit firm partner in charge of the Goodman Fielder audit also attends the Annual General Meeting and is available to answer questions from shareholders on audit-related matters.

In addition to the 2008 Annual General Meeting held in Sydney, the Chairman and CEO conducted two shareholder information meetings in Melbourne and Auckland during the year, to provide shareholders with an overview of the Group's performance, strategy and outlook and allow as many shareholders as possible the opportunity to raise matters of concern or interest with the Directors of the Company. Sydney and Brisbane shareholder meetings also took place in August and September 2009 following the release of the Company's full-year results.

Principle 7: Recognise and Manage Risk

7.1 Risk Management Framework

The Board recognises that the effective management of risk is essential to achieve the Group's objectives of maximising Group performance and creating long-term shareholder value while meeting its commitments to other stakeholders, including its employees, customers and the wider community.

The nature of the Group's business requires the management of a diverse set of risks relating to the Group's operations and its products, including the sustainability of its operations over the short and longer term. With manufacturing and distribution operations throughout the Asia Pacific region and a portfolio of consumer brands in some of Australia and New Zealand's largest grocery categories, management of food safety and nutrition, environmental, occupational health and safety, and commodities risk are among the risk priorities of the Group.

The Board is responsible for overseeing and approving a sound system of risk oversight and management and internal control, but recognises that no cost-effective risk management system will preclude all errors and irregularities.

The following risk management framework is currently in place:

Enterprise Risk Management

Goodman Fielder's risk management system is based upon the Joint Australian/New Zealand Standard for risk management AS/NZS 4360:2004. The Board has delegated responsibility to the Corporate Risk Committee to oversee the implementation and ongoing review of the Group's risk management system, including its Enterprise Risk Management Policy and related risk management standards.

The Group's Chief Risk Officer, who reports to the CFO, co-ordinates and facilitates the implementation and maintenance of the risk management system across the organisation, assisted by divisional risk champions. Each division and corporate department has responsibility for managing risks relevant to that business or function, including by developing controls and procedures consistent with the Group's risk management standards which are designed to avoid, mitigate or share risk.

Corporate Governance Statement continued

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All businesses and functions within the Group have adopted a standardised methodology to identify and evaluate risks. Goodman Fielder's risk management framework sets out the policy, standards and methodologies followed to enable the identification, recording and reporting of risks on a business and Group basis. The Group remains focussed on developing and implementing initiatives to further develop the risk management culture throughout all levels of the organisation and to encourage employees to manage risks in carrying out their daily activities.

Detailed risk registers are jointly maintained by divisional management and the corporate risk team. The Executive Risk Committee meets at least three times per year prior to Corporate Risk Committee meetings to review risk areas and initiatives on a divisional and Group basis, including strategic business risk. The Corporate Risk Committee, which holds scheduled meetings at least three times yearly, reviews risk management reports from the CEO, Chief Risk Officer and divisional and corporate executives (covering, amongst other things, residual risk movements, existing and planned actions for the management of risk and the effectiveness of risk management activities) and the Committee then reports to the Board on those risk-related matters to be brought forward for the Board's consideration. The Board also receives a monthly report from management on key risk areas, as well as divisional and Group safety statistics and significant safety, health and environmental liabilities and responsibilities.

Strategic business risk is considered in establishing and reviewing the strategy and business plans of the brands and businesses, divisions and Group. Risk analysis is conducted in relation to major projects and change initiatives and the Corporate Risk Committee or Board is provided with risk profile reports and status updates in relation to significant projects.

The Group also evaluates the economic balance between self-retention of risks and risk transfer and has implemented insurance arrangements for risk transfer with international insurers of high prudential standards. The Group monitors its compliance with its risk management policy and, amongst other risk control measures, develops contingency plans to manage potential business interruptions.

As sustainability forms part of, and is integrated into, the Group's risk management framework, the Corporate Risk Committee monitors the Group's sustainability initiatives as part of its overall review of the Group's risk management activities. The Group Sustainability Manager, who reports to the Chief Risk Officer, works with the divisions and corporate departments within Goodman Fielder to progress sustainability initiatives throughout the Group and to implement tools and procedures to better enable the Group to measure, monitor and report on its sustainability performance, based upon the Global Reporting Initiative Sustainability Reporting Guidelines. Goodman Fielder intends to issue its first publicly available Sustainability Report in October 2009, which will provide stakeholders with an overview of Goodman Fielder's sustainability performance for the year ended 30 June 2009 and its action plans for the 2010 financial year.

Financial Risks

The Company has a comprehensive strategic planning and budgeting system, the results of which are presented to and approved by the Board. Management and the Board monitor performance against budget and key financial benchmarks through monthly reporting routines, detailed business reviews and variance analysis.

A comprehensive Treasury Exposure and Risk Management System has been adopted to manage and monitor the Group's treasury-related risks, including its exposures to foreign currencies and interest rates and the management of its cash flows and liquidity. The Board has also approved a Commodities Policy to manage the financial risks associated with changes in the market prices of wheat, oils, tallow and sugar used in products produced by the Group. The policies and procedures implemented to manage these risks include the establishment of authorisation levels for entry into/approval of transactions, restricting hedging to pre-established limits, timely reporting of compliance with requirements and specific procedures for identifying and rectifying non-compliance.

During the 2009 financial year, the Group's commodities function was restructured and centralised to enhance operating efficiency and better manage operational risks relating to the procurement, hedging and delivery of commodities.

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In addition, a number of different strategies were adopted to more closely manage risks related to the Group's working capital and debt funding. The Group maintains a conservative approach to its working capital management and implemented measures across its divisions to improve its cash realisation capabilities. The Group has also commenced the process of replacing its A$700 million Senior Unsecured Credit Facility which is due to expire in November 2010. Furthermore, the Group will continue the dividend reinvestment plan introduced in February 2009 for the 2009 final dividend, which is expected to retain an additional A$40 million of capital.

Financial Reporting, Internal Controls and Regulatory Compliance

The Board has responsibility for reviewing and ratifying internal compliance and control systems.

The Audit Committee, in conjunction with the Corporate Risk Committee, reviews the effectiveness and adequacy of internal control processes relating to financial reporting on a regular basis and reports its findings to the Board.

Management assumes primary responsibility for implementing internal controls and for maintaining the organisation's internal control environment. In accordance with the Company's policy, each divisional Managing Director and Finance Director and the head of each corporate department report every six months to the CEO and the CFO and, on an exceptions basis, to the Audit Committee, on the operation and effectiveness of key internal controls relating to their division or corporate department. Any identified deficiencies in internal controls are followed up and addressed by corporate or divisional management.

In addition, the Company maintains an internal audit function to conduct internal audits and reviews of the Group's operations. The Audit Committee reviews the reports from the internal audit function on a regular basis, monitors its scope and resources and approves the annual internal audit plan.

The Company monitors its internal control system on a continual basis and, where appropriate, enhances internal control processes to improve their effectiveness.

In addition to the assurance activities conducted by the internal audit function, audits and compliance reviews are coordinated by the Chief Risk Officer, with the assistance of independent experts where necessary, to review compliance with legal and regulatory obligations and the Group's policies and procedures and to identify areas for improvement.

7.2 Risk Management Assurance

As part of the process of Board approval of the Company's half-year and annual financial report, the CEO and the CFO are required to state to the Board, in writing, that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards.

The Board also receives a written statement of assurance from the CEO and the CFO that, to the best of their knowledge and belief:

1. the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal compliance and control which, in all material respects, implements the policies adopted by the Board; and
2. the Group's risk management and internal compliance and control system for the financial year is operating effectively in all material respects in relation to financial reporting risks.

These statements regarding the quality and effectiveness of the risk management and internal compliance and control system are supported by confirmations from divisional and corporate executives.

The CEO and CFO also provide a separate representation letter to the Board covering specific areas of Board reliance in relation to the half-year and annual financial reports.

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Principle 8: Remunerate Fairly and Responsibly

8.1 Remuneration Committee

The Remuneration Committee has responsibility for reviewing and making recommendations to the Board on the remuneration of non-executive Directors and the remuneration packages and policies applicable to executive Directors and senior executives of the Group. The Committee is also responsible for the Company's recruitment, retention, performance management and termination policies and procedures for senior executives reporting directly to the CEO. Additionally, it reviews and approves any equity-based plans and other incentive schemes. The Remuneration Committee reviews the performance of all executives who report directly to the CEO as part of their annual remuneration review.

8.2 Composition

The current members of the Remuneration Committee are Hugh Perrett (Chairman), Max Ould and Ian Johnston, all of whom are independent non-executive Directors.

Chris Froggatt, a non-executive Director appointed to the Board effective from 27 August 2009, has also been appointed a member of the Committee.

The Committee must be composed of a minimum of three Directors, with a majority being independent. The Chair is an independent non-executive Director. The Board may appoint additional Directors to the Committee or remove and replace members of the Committee by resolution.

8.3 Meetings of the Remuneration Committee

Its charter provides for the Committee to meet once each calendar year on a formal basis and additionally as circumstances may require. During the 2009 financial year, the Committee met twice. Details of attendance at Committee meetings during the year are set out on page 34 of the 2008/09 Annual Report.

8.4 Directors' Remuneration

The Remuneration Report sets out the total remuneration of non-executive and executive Directors of the Company. Mr Ould receives a fee for serving as Chairman of the Board but does not receive any additional fees for serving on Board Committees. Each of the other non-executive Directors is entitled to a fee for serving as a Director of the Company and an additional fee for serving on the Audit, Corporate Risk or Remuneration Committees. These fees are inclusive of any compulsory superannuation contributions and any retirement benefits. In general, no additional fees are payable to non-executive Directors for other services performed outside the scope of their ordinary duties as a Director or Committee member.

The maximum aggregate remuneration of non-executive Directors is determined by a resolution of shareholders and is then divided between the Directors as agreed by the Board. The current aggregate approved in general meeting before the Company's listing is $1.5 million.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst non-executive Directors is reviewed annually by the Remuneration Committee and recommendations made to the Board. The Board considers advice as to the fees paid to non-executive Directors of comparable companies when undertaking the annual review process. When considered appropriate to do so, it will also obtain advice from external consultants.

8.5 Remuneration Report

The Company's remuneration policy and procedures in respect of senior executives of the Company and Group are discussed in its Remuneration Report for the financial year ended 30 June 2009 which is set out on pages 40 to 53 of the 2008/09 Annual Report.

No current or proposed equity-based executive remuneration involves the issue of additional shares by Goodman Fielder. All shares to be acquired by executives under equity plans are intended to be acquired on-market, with the relevant cost expensed in accordance with accounting standards. Further information regarding offers made to executives under Goodman Fielder's Performance Share Plan is set out on pages 45 to 47 of the Remuneration Report. Goodman Fielder's policy on dealing in Company securities prohibits executives from dealing in any derivative which limits the economic risk relating to entitlements to shares under the Performance Share Plan.

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ASX Corporate Governance Council's Corporate Governance Principles and Recommendations

		Reference	Comply
Principle 1:	**Lay solid foundations for management and oversight**		
1.1	Establish and disclose the functions reserved to the Board and those delegated to senior executives	1.1, 1.2	✓
1.2	Disclose the process for evaluating the performance of senior executives	1.3, Remuneration Report	✓
1.3	Provide the information indicated in the *Guide to reporting on Principle 1*	website, 1.1 – 1.4	✓
Principle 2:	**Structure the Board to add value**		
2.1	A majority of the Board should be independent Directors	2.3	✓
2.2	The Chair should be an independent Director	2.4	✓
2.3	The roles of Chair and CEO should not be exercised by the same individual	2.4	✓
2.4	The Board should establish a Nomination Committee	2.6, 2.7	✓
2.5	Disclose the process for evaluating the performance of the Board, its Committees and individual Directors	2.8 – 2.10	✓
2.6	Provide the information indicated in *Guide to reporting on Principle 2*	website, Directors' Report, 2.1 – 2.10	✓
Principle 3:	**Promote ethical and responsible decision-making**		
3.1	Establish a code of conduct and disclose the code or a summary of the code as to the practices necessary to maintain confidence in the Company's integrity, the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders, and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices	3.1, 3.2	✓
3.2	Establish and disclose a policy concerning trading in company securities by Directors, senior executives and employees	3.3	✓
3.3	Provide the information indicated in *Guide to reporting on Principle 3*	website, 3.1 – 3.3	✓
Principle 4:	**Safeguard integrity in financial reporting**		
4.1	The Board should establish an Audit Committee	4.1	✓
4.2	The Audit Committee should be structured to consist only of non-executive Directors, a majority of independent Directors and an independent chair, who is not Chair of the Board, and have at least three members	4.2	✓
4.3	The Audit Committee should have a formal charter	4.1	✓
4.4	Provide the information indicated in the *Guide to reporting on Principle 4*	website, 4.1 – 4.4	✓
Principle 5:	**Make timely and balanced disclosure**		
5.1	Establish and disclose written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance	5.1, 5.2	✓
5.2	Provide the information indicated in *Guide to reporting on Principle 5*	website, 5.1, 5.2	✓
Principle 6:	**Respect the rights of shareholders**		
6.1	Design and disclose a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings	6.1, 6.2	✓
6.2	Provide the information indicated in the *Guide to reporting on Principle 6*	website, 6.1, 6.2	✓
Principle 7:	**Recognise and manage risk**		
7.1	Establish policies for the oversight and management of material business risks and disclose a summary of those policies.	7.1	✓
7.2	The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively and disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks	7.1, 7.2	✓
7.3	The Board should disclose whether it has received assurance from the CEO and CFO that the declaration provided in accordance with section 295A of the *Corporations Act* is founded on a sound system of risk management and internal control which is operating effectively in all material respects in relation to financial reporting risks	7.2	✓
7.4	Provide the information indicated in *Guide to reporting on Principle 7*	website, 7.1, 7.2	✓
Principle 8:	**Remunerate fairly and responsibly**		
8.1	The Board should establish a Remuneration Committee	8.1	✓
8.2	Clearly distinguish the structure of non-executive Director remuneration from that of executive Directors and senior executives	8.4, Remuneration Report	✓
8.3	Provide the information indicated in the *Guide to reporting on Principle 8*	website, 8.1 – 8.5	✓

Income Statements

For the year ended 30 June 2009

	Consolidated 2009 $m	Consolidated 2008*** $m	Company 2009 $m	Company 2008 $m
Revenue				
Sale of goods	**2,471.3**	2,317.5	**–**	–
Other income	**24.1**	18.6	**221.5**	234.0
Cost of sales	**(1,565.8)**	(1,418.6)	**–**	–
Warehousing and distribution expenses	**(344.8)**	(333.4)	**–**	–
Selling and marketing expenses	**(167.3)**	(173.5)	**–**	–
General and administration expenses	**(88.7)**	(84.6)	**–**	–
Other expenses *	**(33.2)**	(201.9)	**(1.1)**	(0.1)
Expenses, excluding finance costs	**(2,199.8)**	(2,212.0)	**(1.1)**	(0.1)
Net financing (costs)/income **	**(90.7)**	(79.7)	**47.5**	30.4
Profit before income tax	**204.9**	44.4	**267.9**	264.3
Income tax expense	**(40.5)**	(35.5)	**(16.6)**	(10.3)
Profit from continuing operations	**164.4**	8.9	**251.3**	254.0
Profit from discontinued operations, net of income tax	**18.3**	22.6	**–**	–
Profit for the year	**182.7**	31.5	**251.3**	254.0
Attributable to:				
Equity holders of Goodman Fielder Limited	**177.1**	27.7	**251.3**	254.0
Minority interests	**5.6**	3.8	**–**	–
Profit for the year	**182.7**	31.5	**251.3**	254.0

	Cents	Cents
From continuing operations		
Basic earnings per share	**11.9**	0.4
Diluted earnings per share	**11.9**	0.4

	Cents	Cents
From continuing and discontinued operations		
Basic earnings per share	**13.3**	2.1
Diluted earnings per share	**13.3**	2.1

* In 2008, other expenses included impairment charge on Fresh Dairy New Zealand goodwill of $170.0m. Refer to note 19 of the Annual Report.
** Refer to note 1(ab) of the Annual Report.
*** The 2008 comparatives have been restated to separately disclose the net profit arising from the discontinued Commercial fats and oils business. Further information is set out in note 1(m), note 4 and note 13 of the Annual Report.

The above income statements should be read in conjunction with the 2008/09 Annual Report.

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Balance Sheets

As at 30 June 2009

	Consolidated 2009 $m	Consolidated 2008 $m	Company 2009 $m	Company 2008 $m
Assets				
Current assets				
Cash and cash equivalents	**65.4**	39.3	**–**	–
Trade and other receivables	**275.6**	290.4	**–**	3.4
Inventories	**130.6**	201.0	**–**	–
Derivative financial instruments	**0.7**	13.0	**–**	–
Current tax receivables	**8.2**	22.1	**6.8**	–
Other current assets	**9.5**	10.0	**0.2**	0.7
Assets classified as held for sale	**140.8**	–	**–**	–
Total current assets	**630.8**	575.8	**7.0**	4.1
Non-current assets				
Receivables	**5.1**	–	**725.3**	592.7
Derivative financial instruments	**1.6**	10.6	**–**	–
Other investments	**–**	–	**2,088.4**	2,088.4
Property, plant and equipment	**492.7**	527.8	**–**	–
Deferred tax assets	**99.4**	83.8	**8.7**	14.4
Intangible assets	**1,866.2**	1,885.1	**–**	–
Other non-current assets	**1.4**	2.5	**–**	–
Total non-current assets	**2,466.4**	2,509.8	**2,822.4**	2,695.5
Total assets	**3,097.2**	3,085.6	**2,829.4**	2,699.6
Liabilities				
Current liabilities				
Trade and other payables	**284.2**	283.2	**18.4**	3.4
Borrowings	**1.3**	171.9	**–**	–
Derivative financial instruments	**36.4**	6.0	**–**	–
Current tax liabilities	**5.4**	11.3	**–**	7.1
Provisions	**52.3**	68.1	**–**	–
Liabilities classified as held for sale	**6.9**	–	**–**	–
Total current liabilities	**386.5**	540.5	**18.4**	10.5
Non-current liabilities				
Payables	**–**	1.0	**–**	–
Borrowings	**1,063.5**	910.8	**–**	–
Deferred tax liabilities	**11.0**	25.4	**5.5**	5.5
Provisions	**7.7**	7.6	**–**	–
Derivative financial instruments	**7.6**	0.7	**–**	–
Total non-current liabilities	**1,089.8**	945.5	**5.5**	5.5
Total liabilities	**1,476.3**	1,486.0	**23.9**	16.0
Net assets	**1,620.9**	1,599.6	**2,805.5**	2,683.6
Equity				
Contributed equity	**1,771.9**	1,740.8	**2,614.2**	2,584.6
Reserves	**(214.0)**	(186.6)	**–**	–
Retained profits	**53.3**	37.3	**191.3**	99.0
Total equity attributable to equity holders of the Company	**1,611.2**	1,591.5	**2,805.5**	2,683.6
Minority interests	**9.7**	8.1	**–**	–
Total equity	**1,620.9**	1,599.6	**2,805.5**	2,683.6

The above balance sheets should be read in conjunction with the 2008/09 Annual Report.

Statements of Cash Flows

For the year ended 30 June 2009

For personal use only

	Consolidated		Company	
	2009 $m	2008 $m	**2009 $m**	2008 $m
Cash flows from operating activities				
Receipts from customers	**3,011.1**	2,846.7	**–**	–
Payments to suppliers and employees	**(2,601.7)**	(2,501.2)	**–**	–
Interest received	**3.9**	1.9	**–**	–
Interest paid	**(87.6)**	(81.6)	**–**	–
Income taxes paid	**(40.6)**	(55.2)	**–**	–
Net cash inflow from operating activities	**285.1**	210.6	**–**	–
Cash flows from investing activities				
Payment for subsidiaries, net of cash acquired	**–**	(78.5)	**–**	–
Payments for property, plant and equipment	**(93.6)**	(68.1)	**–**	–
Payment for business acquired	**–**	(11.4)	**–**	–
Proceeds from sale of property, plant and equipment	**19.3**	36.2	**–**	–
Proceeds from sale of brands	**9.4**	–	**–**	–
Dividends received	**–**	–	**221.5**	285.9
Net cash (outflow)/inflow from investing activities	**(64.9)**	(121.8)	**221.5**	285.9
Cash flows from financing activities				
Repayment of intercompany borrowings	**–**	–	**(92.1)**	(107.0)
Proceeds from borrowings	**758.6**	909.7	**–**	–
Repayment of borrowings	**(814.8)**	(856.3)	**–**	–
Finance lease payments	**(1.5)**	–	**–**	–
Dividends paid (net of Dividend Reinvestment Plan)	**(129.4)**	(178.9)	**(129.4)**	(178.9)
Dividends paid to outside equity interests	**(5.1)**	–	**–**	–
Payment of deferred consideration	**(3.3)**	(3.3)	**–**	–
Net cash outflow from financing activities	**(195.5)**	(128.8)	**(221.5)**	(285.9)
Net increase/(decrease) in cash and cash equivalents	**24.7**	(40.0)	**–**	–
Cash and cash equivalents at the beginning of the financial year	**39.3**	85.8	**–**	–
Effects of exchange rate changes on cash and cash equivalents	**1.4**	(6.5)	**–**	–
Cash and cash equivalents at end of year	**65.4**	39.3	**–**	–

The above statements of cash flows should be read in conjunction with the 2008/09 Annual Report.

Financial Comparison FY2006–FY2009

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		FY2006 [1]	FY2007 [2]	FY2008 [3]	FY2009 [4]
Profitability					
Revenue	$m	1,522.6	2,426.7	2,675.4	2,848.6
EBITDA	$m	277.8	444.1	370.4	375.0
EBITDA margin	%	18.2%	18.3%	13.8%	13.2%
EBIT	$m	241.1	388.9	151.5	319.5
EBIT margin	%	15.8%	16.0%	5.7%	11.2%
NPAT	$m	383.2	239.8	27.7	177.1
Share information					
Earnings per share	c	28.9c	18.1c	2.1c	13.3c
Weighted average number of ordinary shares	million	1,325.0	1,325.0	1,325.0	1,332.5
Dividends per share	c	5.5c	13.5c	13.5c	10.5c
Key ratios					
Debt/(Debt + Equity [5])	%	24.3%	27.1%	29.9%	28.9%
Net debt/EBITDA	times	2.98	2.28	2.82	2.67
Interest cover	times	7.83	6.05	4.65	4.13
Return on capital employed (ROCE)	%	9.5%	13.6%	5.9%	12.6%
Return on equity [5] (ROE)	%	8.5%	12.7%	1.7%	10.9%
Financing					
Operating cash flows	$m	89.4	244.8	210.6	285.1
Cash realisation ratio	%	21%	82%	84%	120%
Net debt	$m	827.4	1,011.4	1,043.4	999.4
Capital expenditure	$m	43.8	50.9	68.1	93.6
Working capital	$m	183.6	193.6	209.7	159.7
Employees					
Number of full-time equivalent employees (FTE)					
– Australia		2,905	3,537	3,909	3,768
– New Zealand		3,294	3,029	2,955	2,819
– Asia Pacific		1,314	1,324	1,344	1,392
		7,513	**7,890**	**8,208**	**7,979**

(1) The consolidated financial statements for FY2006 include the profit and loss and cash flows of Commercial Australia and Home Ingredients Australia for 12 months, Retail New Zealand and Baking Australia from 21 December 2005 and New Zealand Dairy Foods from 22 December 2005 and Uncle Tobys for four months (as a discontinued operation), including the profit on sale of Uncle Tobys to the Burns Philp Group,
(2) The FY2007 result includes restructuring and integration costs of $18.6m and foreign exchange gains of $31.2m.
(3) The FY2008 result includes a non-cash impairment charge of $170m, restructuring and integration costs of $27.6m, a $10.1m discount on acquisition arising from the acquisition of Paradise Foods and a net gain of $11.9m arising from the disposal of property, plant and equipment.
(4) FY2009 is based on continuing and discontinued operations, and includes restructure costs of $10.7m, a net gain of $11.9m arising from the disposal of property, plant and equipment, and a net gain of $9.4m arising from the disposal of New Zealand brands.
(5) Equity is grossed up to remove the impact of reverse acquisition accounting ($842.3m).

Company Information

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Directors
Mr Max Ould (Chairman)
Mr Peter Margin (Managing Director and CEO)
Ms Chris Froggatt
Mr Clive Hooke
Mr Ian Johnston
Mr Hugh Perrett
Mr Gavin Walker

Company Secretary
Mr Jonathon West

Auditor
KPMG
10 Shelley Street
Sydney NSW 2000

2009 Annual General Meeting
19 November 2009 at 10.00 am
in Swanston Hall, Melbourne Town Hall,
90–120 Swanston Street, Melbourne, Victoria

Dividend

7 October 2009	Record Date
29 October 2009	Payment Date

Stock Exchange Listings (Code GFF)
Australia
New Zealand

Australian Share Registry
Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000
Australia
(Locked Bag A14, Sydney South, NSW 1235)
Telephone: 1800 178 254 (in Australia)
Telephone: +61 2 8280 7995 (international)
Fax: +61 2 9287 0303
Fax for proxy voting: +61 2 9287 0309
Website: www.linkmarketservices.com.au

New Zealand Share Registry
Link Market Services Limited
Level 16, Brookfields House
19 Victoria Street
Auckland, New Zealand
(PO Box 91976, Auckland 1030, New Zealand)
Telephone: 0800 150 013 (in New Zealand)
Telephone: +61 2 8280 7201 (international)
Fax: +64 9 375 5990
Email: lmsenquiries@linkmarketservices.com
Website: www.linkmarketservices.com

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