



The Leading Australian Owned
Branded
Frozen Food Company

INVESTOR PRESENTATION

28 May 2010

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Brief history.



- November 2006: IPO – Rijs family members sold down to 42%.
- May 2007: Acquire Creative Gourmet (Frozen Fruit business)
- November 2007: New CEO appointed
- Early 2008: Commence installation of additional capacity
 - savoury pies, sweet pies.
- 2008: Supply issues, and reduced promotional activity.
- September 2008: New CEO appointed (ex George Weston Foods).
- February 2009: New CFO & GM Manufacturing appointed
- July 2009: New Board structure (7 directors)
 - Independent chairman
 - 3 x Non-Executive independent directors.
 - 2 x Executive directors
 - 1 Non – Executive director
- December 2009: New Head of Sales appointed (ex Fonterra)
- February 2010: Announce record sales revenue and earnings for 1H10.

Strong margins with improving profits.



(\$m)	2H08	1H09	2H09	1H10
Net Sales Revenue	78.8	90.5	88.7	102.2
Costs of Goods Sold	47.5	54.3	56.6	61.9
Gross margin	31.5	36.2	32.1	40.3
Operating Expenses	17.6	22.3	18.9	23.5
EBITDA (underlying)	13.9	13.9	13.2	16.8
EBIT (underlying)	11.5	11.1	9.9	13.9
NPAT (underlying)	7.2	5.2	6.6	8.5
NPAT reported	6.5	4.7	6.6	7.5

Earnings per share (cents)	5.1	3.7	4.7	6.1
Div per share (declared)	4.5	2.0	2.5c	3.0c
Gross Margin/Sales	39.9%	40.0%	36.2%	39.4%
EBIT/sales	14.6%	12.2%	11.2%	13.6%
NPAT/sales	9.1%	5.7%	7.4%	8.3%

Building Balance Sheet Strength



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- Net Debt to Equity Ratio of 55.0% at 31 December 2009 (72.1% at 31 December 2008)
- Net Debt reduced by \$3.7m to \$63.5m due to improved working capital management and earnings.
- Debt facility with Westpac with the next review date on 30 Sep 2011. Long term interest rate hedge on 50% of total debt.
- Capital expenditure for FY10 will be approx \$9m of which \$3m is maintenance and the remaining is projects generating a planned ROI of +20%.

(\$m)	Dec-09	Jun-09	%
Current Assets	64.0	58.8	+8.8%
Fixed Assets	63.8	62.0	+2.9%
Brands and Goodwill	78.7	78.9	-0.3%
Investments in Joint Ventures	8.3	8.0	+3.8%
Total Assets	214.9	207.7	+3.5%
Current Interest Bearing Securities	2.3	2.3	+0.0%
Other Current Liabilities	26.8	20.3	+32.0%
Non Current Interest Bearing Securities	64.5	68.2	-5.4%
Other non-current liabilities	5.8	5.8	+0.0%
Total Liabilities	99.5	96.6	+3.0%
Net Assets	115.4	111.1	+3.9%
Equity	68.2	68.2	+0.0%
Retained Profits and Reserves	47.2	42.9	+10.0%
Total Equity	115.4	111.1	+3.9%

Frozen savoury & dessert industry

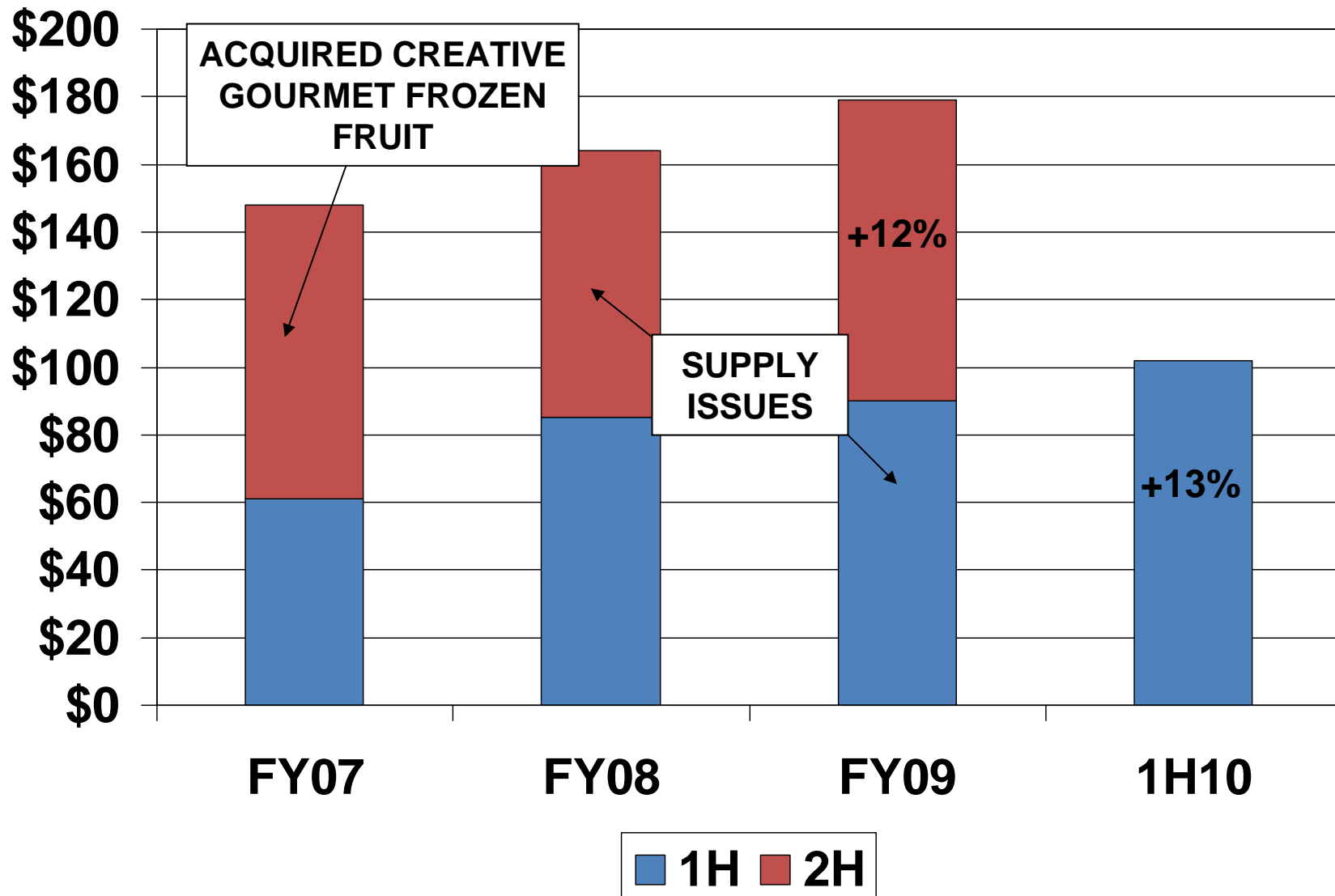


- Capital intensive and steep learning curve to achieve economies of scale and best practice – solid barriers to entry.
- Attractive to consumers as “Australia’s favourite meal” – the meat pie.
- Increasing consumer trends towards sweet and savoury snacking – especially out of home.
- Customers need innovation in food to create demand.
- Customers need market leading brands to confirm quality proposition.
- Out of Home market growing faster than traditional supermarkets.
- PFL is the only national supplier servicing all channels.
- PFL has more than 3 times the revenue of nearest savoury competitor.

History of strong organic growth ... when not supply constrained!



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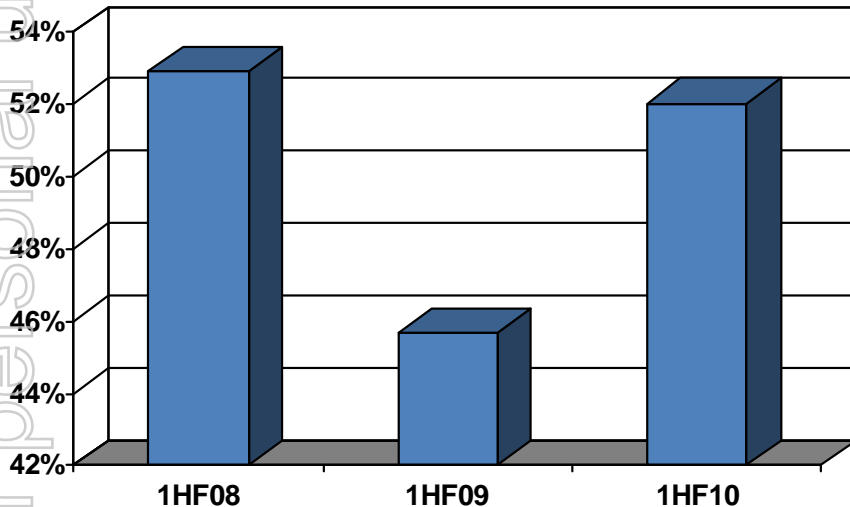


PFL is category leader – In Home.



Retail Savoury

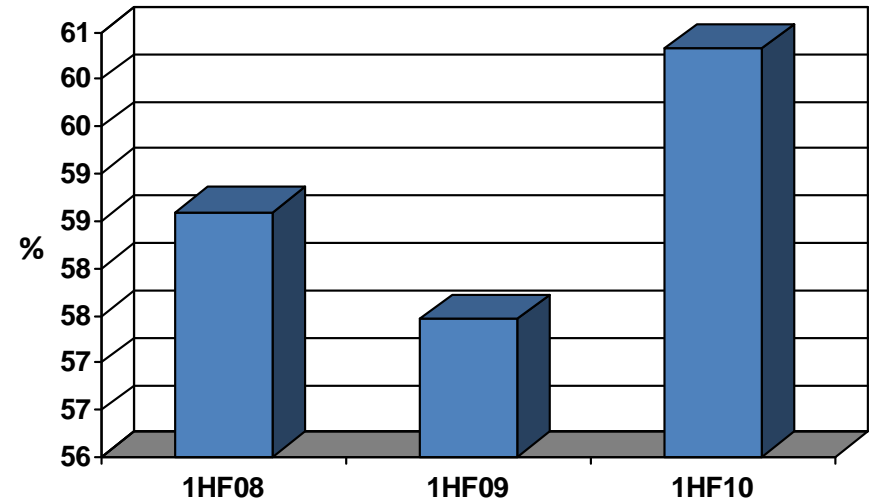
Market Share - 26 weeks to 31 Dec



AZTEC – MAT 31 Dec 09

Retail fruit pie

Market Share - 26 weeks to Dec 31



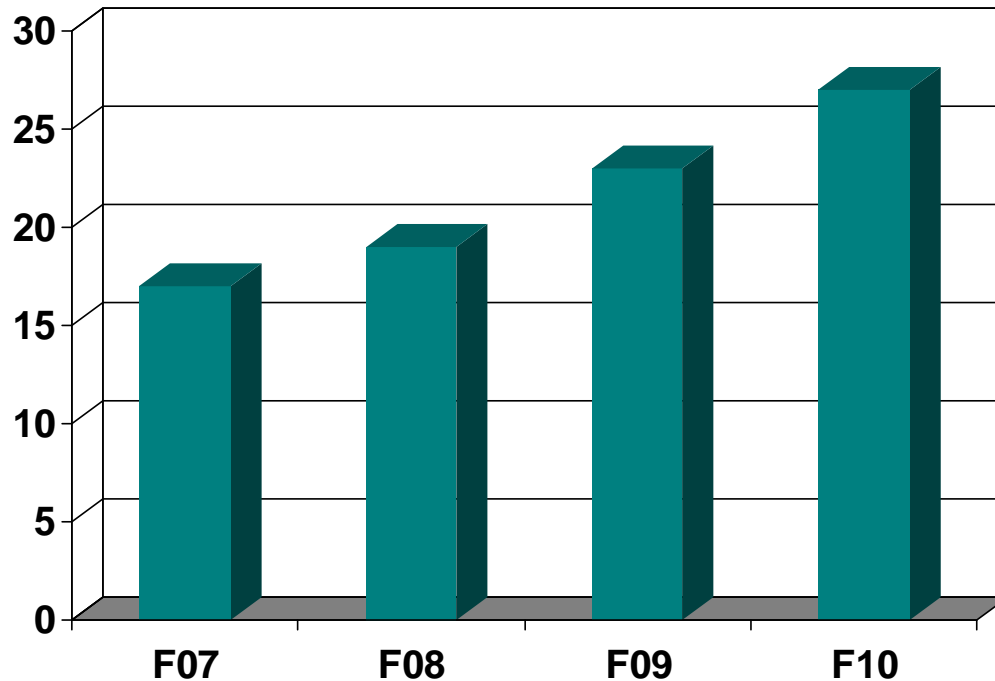
AZTEC – MAT 31 Dec 09

Over 50% share.

PFL is growing in Out of Home.



Out of Home Savoury Market Share



Management Estimate as at Dec 09

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How do we grow sales ?

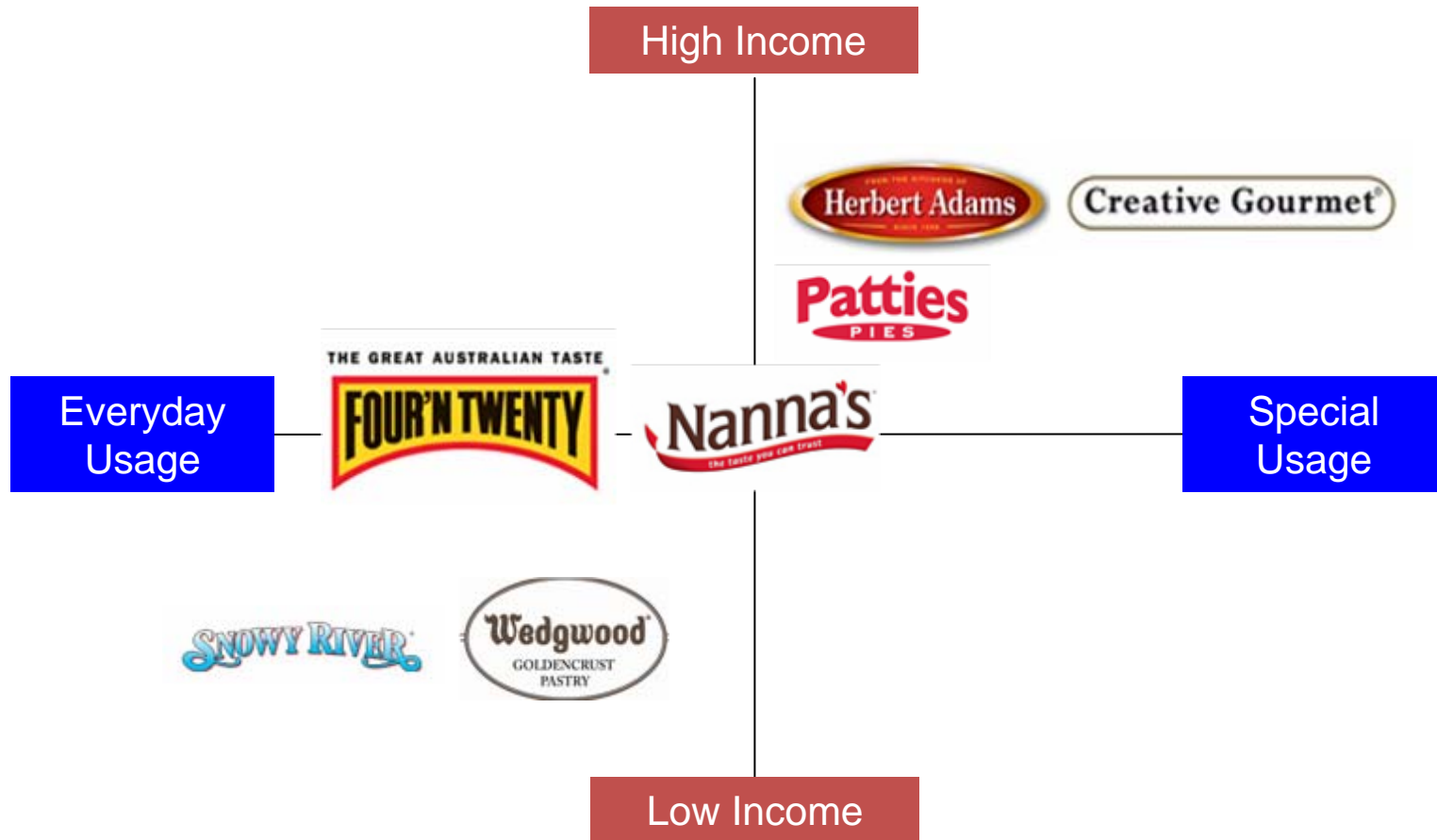


- Create demand through clear multi-brand positioning and focused communication strategies.
- Strong customer relationships: when they grow – we grow.
- Consumer behaviour insights
 - what is the consumer doing?
 - develop new products to meet consumer needs.
- Efficient production driven from
 - Investment in state-of-the-art equipment
 - Continuous improvement processes.

Our brands meet demand from most consumers



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Example of new product development



THE GREAT AUSTRALIAN TASTE[®]

FOUR'N TWENTY



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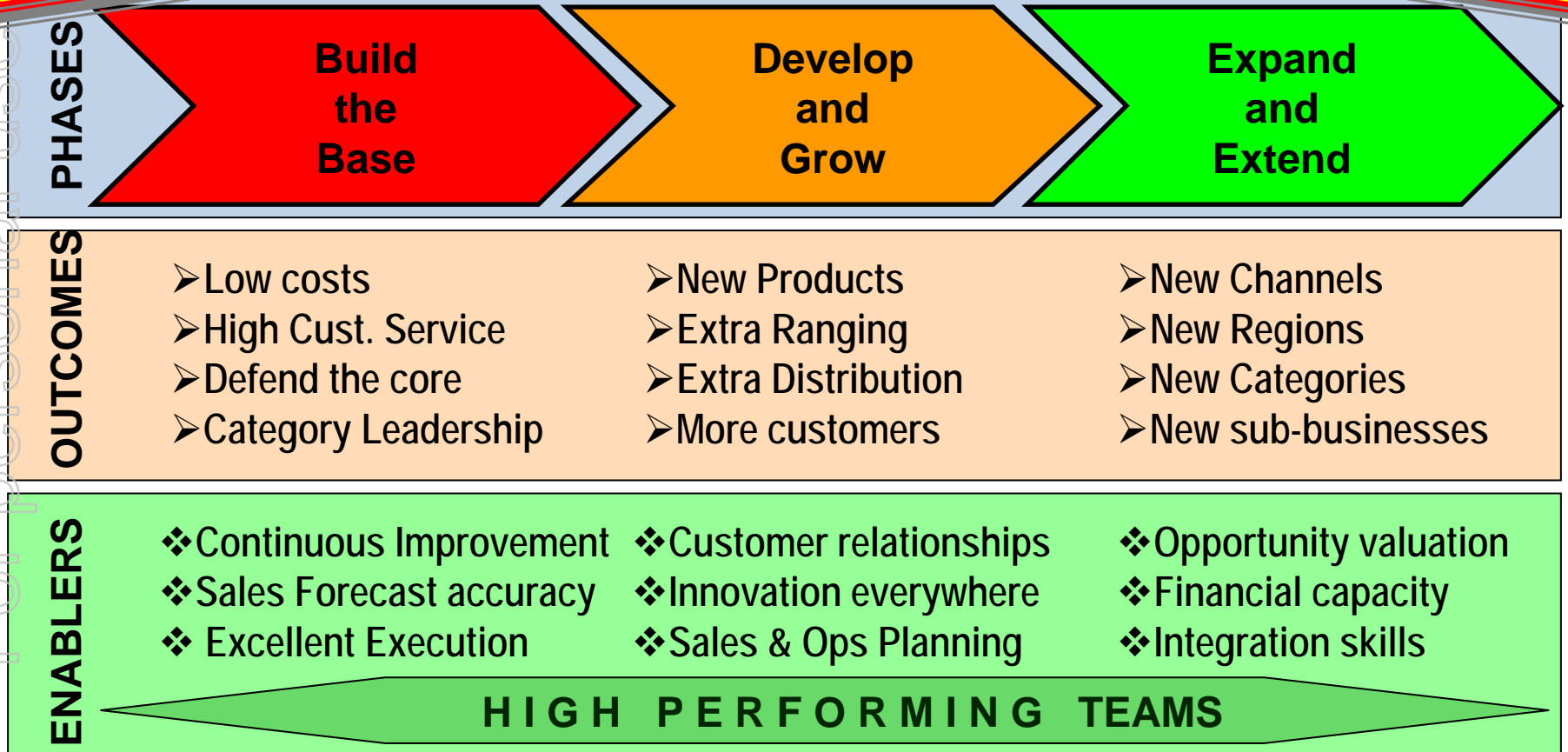
Strategic direction



- Build on investment in capacity.
- Continue growth through brand leverage.
 - Product innovation.
 - Channel expansion.
 - Strong opportunities as national supplier in Out of Home.
- Longer term - M&A.

STRATEGIC FRAMEWORK

THE LEADING BRANDED FROZEN FOODS COMPANY



PROGRESS

