Rules 4.1, 4.3

Appendix 4B

Half yearly/preliminary final report

Name of entity

Goodman Fielder Limited

ABN or equivalent company reference	Half Year ended ('current period')
000 003 958	**31 December 2002**

For announcement to the market

Extracts from this report for announcement to the market (see note 1). $A millions

Revenues from ordinary activities *(item 1.1)*	down	8.4%	to	1,610.3
Profit (loss) from ordinary activities after tax attributable to members (*item 1.22*)	down	32.2%	to	66.7
Significant items after tax:				
Profit on sale of Milling operations				15.2
Unsolicited bid costs (i)				(3.5)
Workers compensation (ii)				(3.5)
Rationalisation & restructuring				(11.7)
Profit (loss) from extraordinary items after tax attributable to members (*item 2.5(d)*)	gain (loss) of	-		-
Net profit (loss) for the period attributable to members *(item 1.11)*	down	32.2%	to	66.7

(i) Costs in relation to unsolicited bid for control of Goodman Fielder by Burns Philp announced 13 December 2002
(ii) Adjustment to initial workers compensation liability in respect of transition to self insurance

Dividends (distributions)	Amount per security	Franked amount per security
Final dividend *(Preliminary final report only - item 15.4)* Interim dividend *(Half yearly report only - item 15.6)*	3.5 ¢	50 %
Previous corresponding period *(Preliminary final report - item 15.5; half yearly report - item 15.7)*	3.5 ¢	50 %

+Record date for determining entitlements to the dividend,
(in the case of a trust, distribution) *(see item 15.2)*

21st February 2003

Brief explanation of any of the figures reported above (see Note 1) and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:

NA

If this is a half yearly report it is to be read in conjunction with the most recent annual financial report.

+ See chapter 19 for defined terms.

Condensed consolidated statement of financial performance

		Current period - $A millions	Previous corresponding period - $A millions
1.1	Revenues from ordinary activities *(see items 1.23 -1.25)*	1,610.3	1,757.1
1.2	Expenses from ordinary activities *(see items 1.26)*	(1,494.7)	(1,590.8)
1.3	Borrowing costs	(25.4)	(32.7)
1.4	Share of net profits (losses) of associates and joint venture entities *(see item 16.7)*	0.5	-
1.5	**Profit (loss) from ordinary activities before tax**	**90.7**	**133.6**
1.6	Income tax on ordinary activities *(see note 4)*	(23.6)	(34.8)
1.7	**Profit (loss) from ordinary activities after tax**	**67.1**	**98.8**
1.8	Profit (loss) from extraordinary items after tax *(see item 2.5)*	-	-
1.9	**Net profit (loss)**	**67.1**	**98.8**
1.10	Net profit (loss) attributable to outside +equity interests	(0.4)	(0.4)
1.11	**Net profit (loss) for the period attributable to members**	**66.7**	**98.4**
	Non-owner transaction changes in equity		
1.12	Increase (decrease) in revaluation reserves	-	-
1.13	Net exchange differences recognised in equity	0.5	(8.1)
1.14	Other revenue, expense and initial adjustments recognised directly in equity (attach details)	-	-
1.15	Initial adjustments from UIG transitional provisions – decrease in retained earnings from change in accounting policy for dividends	49.0	-
1.16	Total transactions and adjustments recognised directly in equity (items 1.12 to 1.15)	49.5	(8.1)
1.17	**Total changes in equity not resulting from transactions with owners as owners**	**116.2**	**90.3**

	Earnings per security (EPS)	Current period **Cents**	Previous corresponding Period **Cents**
1.18	Basic EPS (after significant items)	5.5	7.7
1.19	Diluted EPS (after significant items)	5.5	7.7

+ See chapter 19 for defined terms.

Notes to the condensed consolidated statement of financial performance

Profit (loss) from ordinary activities attributable to members

		Current period - $A millions	Previous corresponding period - $A millions
1.20	Profit from ordinary activities after tax (*item 1.7*)	67.1	98.8
1.21	Less (plus) outside +equity interests	0.4	0.4
1.22	**Profit (loss) from ordinary activities after tax, attributable to members**	**66.7**	**98.4**

Revenue and expenses from ordinary activities *(see note 15)*

		Current period - $A millions	Previous corresponding period - $A millions
1.23	Revenue from sales or services	1396.3	1,539.0
1.24	Interest revenue	9.6	4.6
1.25	Other relevant revenue:		
	Revenues generated from investing activities	204.4(2)	213.5(1)
1.26	Details of relevant expenses:		
	COGS	(889.0)	(977.3)
	Marketing, selling & distribution expenses	(296.8)	(313.1)
	Expense relating to investing activities	(182.8)	(98.6)
	Production expenses (refer Attachment B)	(8.7)	(48.8)
	Administration expenses	(117.4)	(153.0)
1.27	Depreciation and amortisation excluding amortisation of intangibles *(see item 2.3)* (3)	45.6	56.4
	Capitalised outlays		
1.28	Interest costs capitalised in asset values	-	-
1.29	Outlays capitalised in intangibles (unless arising from an +acquisition of a business)	-	-

(1) Includes $197.7 mill proceeds on sale of Germantown International Limited.
(2) Includes $195.3 mill proceeds on sale of Milling operations

Consolidated retained profits

		Current period - $A millions	Previous corresponding period - $A millions
1.30	Retained profits (accumulated losses) at the beginning of the financial period	46.4	(24.6)
1.31	Net profit (loss) attributable to members *(item 1.11)*	66.7	98.4
1.32	Net transfers from (to) reserves	-	0.4

+ See chapter 19 for defined terms.

1.33	Net effect of changes in accounting policies (Accounting for dividends in accordance with AABB 1044)	49.0	-
1.34	Dividends and other equity distributions paid or payable	(48.6)	(44.3)
1.35	**Retained profits (accumulated losses) at end of financial period**	**113.5**	**29.9**

Intangible and extraordinary items

		Consolidated – current period			
		Before tax $A millions (a)	Related tax $A millions (b)	Related outside +equity interests $A millions (c)	Amount (after tax) attributable to members $A millions (d)
2.1	Amortisation of goodwill	11.4	(0.6)	-	10.8
2.2	Amortisation of other intangibles	3.0	-	-	3.0
2.3	**Total amortisation of intangibles**	**14.4**	**(0.6)**	**-**	**13.8**
2.4	Extraordinary items (details)	-	-	-	-
2.5	**Total extraordinary items**	**-**	**-**	**-**	**-**

Comparison of half year profits

(Preliminary final report only)

		Current year - $A millions	Previous year - $A millions
3.1	Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the *1st* half year (item 1.22 in the half yearly report)	NA	NA
3.2	Consolidated profit (loss) from ordinary activities after tax attributable to members for the *2nd* half year	NA	NA

+ See chapter 19 for defined terms.

	Consolidated statement of financial position	At end of current period $A millions	As shown in last annual report $A millions	As in last half yearly report $A millions
	Current assets			
4.1	Cash	222.7	338.7	237.8
4.2	Receivables	270.4	278.2	348.1
4.3	Investments	-	-	-
4.4	Inventories	237.1	254.2	289.5
4.5	Tax assets	-	-	-
4.6	Other (provide details if material)	33.6	36.3	24.8
4.7	**Total current assets**	**763.8**	**907.4**	**900.2**
	Non-current assets			
4.8	Receivables	11.7	12.6	12.3
4.9	Investments (equity accounted)	4.4	3.9	-
4.10	Other investments	2.4	2.4	2.1
4.11	Inventories	-	-	-
4.12	Exploration and evaluation expenditure capitalised *(see para .71 of AASB 1022)*	-	-	-
4.13	Development properties (+mining entities)	-	-	-
4.14	Other property, plant and equipment (net)	721.7	861.7	989.6
4.15	Intangibles (net)	508.4	520.8	577.2
4.16	Tax assets	101.7	95.8	120.2
4.17	Other	3.2	4.3	4.5
4.18	**Total non-current assets**	**1,353.5**	**1,501.5**	**1,705.9**
4.19	**Total assets**	**2,117.3**	**2,408.9**	**2,606.1**
	Current liabilities			
4.20	Payables	343.7	376.8	331.5
4.21	Interest bearing liabilities	29.1	176.7	0.8
4.22	Tax liabilities	18.3	5.2	17.5
4.23	Provisions exc. tax liabilities	145.5	189.7	248.1
4.24	Other	5.6	2.9	3.3
4.25	**Total current liabilities**	**542.2**	**751.3**	**601.2**
	Non-current liabilities			
4.26	Payables	-	0.7	-
4.27	Interest bearing liabilities	362.5	418.7	711.8
4.28	Tax liabilities	70.7	83.5	80.1
4.29	Provisions exc. tax liabilities	37.6	57.6	51.4
4.30	Other	4.6	1.7	2.9
4.31	**Total non-current liabilities**	**475.4**	**562.2**	**846.2**

+ See chapter 19 for defined terms.

Consolidated statement of financial position continued

4.32	**Total liabilities**	**1,017.6**	**1,313.5**	**1,447.4**
4.33	**Net assets**	**1,099.7**	**1,095.4**	**1,158.7**

	Equity			
4.34	Capital/contributed equity	1,000.4	1,065.8	1,128.6
4.35	Reserves	(24.8)	(25.3)	(8.9)
4.36	Retained profits (accumulated losses)	113.5	46.4	29.9
4.37	**Equity attributable to members of the parent entity**	**1,089.1**	**1,086.9**	**1,149.6**
4.38	Outside +equity interests in controlled entities	10.6	8.5	9.1
4.39	**Total equity**	**1,099.7**	**1,095.4**	**1,158.7**

4.40	Preference capital included as part of 4.37	**N/A**	**N/A**	**N/A**

Notes to the consolidated statement of financial position

Exploration and evaluation expenditure capitalised N/A

(To be completed only by entities with mining interests if amounts are material. Include all expenditure incurred.)

		Current period $A millions	Previous corresponding period - $A millions
5.1	Opening balance		
5.2	Expenditure incurred during current period		
5.3	Expenditure written off during current period		
5.4	Acquisitions, disposals, revaluation increments, etc.		
5.5	Expenditure transferred to Development Properties		
5.6	**Closing balance as shown in the consolidated balance sheet** (*item 4.12)*		

+ See chapter 19 for defined terms.

Development properties N/A

(To be completed only by entities with mining interests if amounts are material)

		Current period $A millions	Previous corresponding period - $A millions
6.1	Opening balance		
6.2	Expenditure incurred during current period		
6.3	Expenditure transferred from exploration and evaluation		
6.4	Expenditure written off during current period		
6.5	Acquisitions, disposals, revaluation increments, etc.		
6.6	Expenditure transferred to mine properties		
6.7	**Closing balance as shown in the consolidated balance sheet** *(item 4.13)*		

Consolidated statement of cash flows

		Current period $A millions	Previous corresponding period - $A millions
	Cash flows related to operating activities		
7.1	Receipts from customers	1,628.8	1,790.3
7.2	Payments to suppliers and employees	(1,459.9)	(1,574.5)
7.3	Dividends received from associates	-	-
7.4	Other dividends received	0.1	0.4
7.5	Interest and other items of similar nature received	3.0	3.4
7.6	Interest and other costs of finance paid	(21.0)	(31.6)
7.7	Income taxes paid	(21.2)	(24.4)
7.8	Other	0.1	5.8
7.9	**Net operating cash flows**	**129.9**	**169.4**
	Cash flows related to investing activities		
7.10	Payment for purchases of property, plant and equipment	(52.5)	(31.3)
7.11	Proceeds from sale of property, plant and equipment	7.7	6.5
7.12	Payment for purchases of equity investments	-	(0.1)
7.13	Proceeds from sale of businesses	129.3	176.0
7.14	Loans to other entities	-	-
7.15	Loans repaid by other entities	-	-
7.16	Other (provide details if material)	0.3	10.1
7.17	**Net investing cash flows**	**84.8**	**161.2**

+ See chapter 19 for defined terms.

		Current period $A millions	Previous corresponding period - $A millions
	Cash flows related to financing activities		
7.18	Proceeds from issues of +securities (shares, options, etc.)	8.2	-
7.18	Payment for shares bought back.	(80.3)	(27.2)
7.19	Proceeds from borrowings	38.5	6.6
7.20	Repayment of borrowings	(245.7)	(121.9)
7.21	Dividends paid	(46.4)	(47.9)
7.22	Other (provide details if material)	(7.0)	(2.0)
7.23	**Net financing cash flows**	**(332.7)**	**(192.4)**
7.24	**Net increase (decrease) in cash held**	**(118.0)**	**138.2**
7.25	Cash at beginning of period	336.9	105.9
	(see Reconciliation of cash)		
7.26	Exchange rate adjustments to item 7.25.	3.0	(2.0)
7.26	Translational effects of exchange rate changes	(2.5)	(5.1)
7.27	**Cash at end of period**	**219.4**	**237.0**
	(see Reconciliation of cash)		

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. *(If an amount is quantified, show comparative amount.)*

In respect of dividends paid during the half-year ended 31 December 2002, Goodman Fielder Limited shareholders had the option to elect to participate in the Dividend Reinvestment Plan. The Dividend Reinvestment Plan enables shareholders to reinvest in shares rather than cash. Under the Dividend Reinvestment Plan $2.6 million (2001: $3.7 million) of dividends were reinvested in the current period.

Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current period $A millions	Previous corresponding period - $A millions
8.1	Cash on hand and at bank	15.2	125.4
8.2	Deposits at call	207.5	112.4
8.3	Bank overdraft	(3.3)	(0.8)
8.4	Other (provide details)	-	-
8.5	**Total cash at end of period** *(item 7.27)*	**219.4**	**237.0**

+ See chapter 19 for defined terms.

Other notes to the condensed financial statements

Ratios	Current period	Previous corresponding Period
Profit before tax / revenue 9.1 Consolidated profit (loss) from ordinary activities before tax (*item 1.5*) as a percentage of revenue (*item 1.1*)	5.6 %	7.6 %
Profit after tax / ⁺equity interests 9.2 Consolidated net profit (loss) from ordinary activities after tax attributable to members (*item 1.11*) as a percentage of equity (similarly attributable) at the end of the period (*item 4.37*)	6.1 %	8.6 %

+ See chapter 19 for defined terms.

Earnings per security (EPS)

10. Details of basic and diluted EPS reported separately in accordance with paragraph 9 and 18 of *AASB 1027: Earnings Per Share* are as follows.

	Current period $A millions	Previous corresponding Period $A millions
Weighted Average number of ordinary shares used as the denominator in calculating basic earnings per share	1,206.2	1,281.9
Potential ordinary shares	0.9	0.2
Weighted Average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	1,207.1	1,282.1

Reconciliation of earnings used in calculating basic & diluted earnings per share

The following represents the income data used in the calculations of basic and diluted earnings per share	Current period $A millions	Previous corresponding Period $A millions
Net profit (loss) from ordinary activities	67.1	98.8
Adjusted for outside equity interests	0.4	0.4
Earnings used in calculating basic and diluted earnings per share	66.7	98.4

NTA backing *(see note 7)*	Current period	Previous corresponding period
11.1 Net tangible asset backing per +ordinary security	49 cents	45 cents

Discontinuing Operations

(Entities must report a description of any significant activities or events relating to discontinuing operations in accordance with paragraph 7.5 (g) of AASB 1029: Interim Financial Reporting, or, the details of discontinuing operations they have disclosed in their accounts in accordance with AASB 1042: Discontinuing Operations (see note 17).)

12.1 Discontinuing Operations

On the 4th October 2002, the company announced the sale of its Milling operations to Allied Flour Mills. The operations were sold effective 4th October 2002.

On the 15th February 2001, the company announced the sale of the Leiner Davis Gelatin business to Deutsche Gelatine-Fabriken Stoess AG. Part of the gelatin business was sold on 28 March 2002 with effect from 31 March 2002. The remaining US and Argentinian based gelatin operations were sold 31 January 2003 to Tessenderlo Chemie SA/NV for $A115 million ($US67 million).

Financial information relating to the discontinuing operations for the period to the date of disposal is set out below:

+ See chapter 19 for defined terms.

	Current period $A Mill		Previous corresponding period $A Mill	
Financial Performance information	**Milling**	**Gelatin**	**Milling**	**Gelatin**
Revenue from ordinary activities	137.6	67.5	185.8	153.4
Expenses from ordinary activities	135.8	53.9	170.1	121.7
Profit from ordinary activities before tax	**1.8**	**13.6**	**15.7**	**31.7**
Income tax (exp)/benefit	2.3	(4.9)	(3.7)	(11.4)
Profit from ordinary activities after tax	**4.1**	**8.7**	**12.0**	**20.3**
Carrying amount of assets and liabilities				
Total Assets	244.6	366.4	753.3	501.0
Total liabilities	85.2	132.0	581.1	216.6
Net Assets	**159.4**	**234.4**	**172.2**	**284.4**
Cash flow information (outflow)/inflow				
Operating activities	(16.0)	12.7	20.6	25.8
Investing activities	57.5	(3.2)	(2.8)	(65.4)
Financing activities	(369.0)	(2.0)	(29.2)	19.1
Net cash flow	**(327.5)**	**7.5**	**(11.4)**	**(20.5)**
Details of sale of Milling operations				
Consideration received/receivable	195.3	-	-	-
Carrying amount of net assets sold	182.8	-	-	-
Gain on sale before tax	**12.5**	-	-	-
Income tax benefit	2.7	-	-	-
Gain on sale after tax	**15.2**	-	-	-

Control gained over entities having material effect N/A

13.1	Name of entity (or group of entities)	
13.2	Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was +acquired	$
13.3	Date from which such profit has been calculated	
13.4	Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period	$

Loss of control of entities having material effect

14.1	Name of entity (or group of entities)	Milling Australia
14.2	Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	Refer 12.1 above
14.3	Date to which the profit (loss) in item 14.2 has been calculated	Refer 12.1 above
14.4	Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period	Refer 12.1 above
14.5	Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	Refer 12.1 above

Dividends (in the case of a trust, distributions)

15.1	Date the dividend (distribution) is payable	14th March 2003
15.2	+Record date to determine entitlements to the dividend (distribution) (ie, on the basis of proper instruments of transfer received by 5.00 pm if +securities are not +CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if +securities are +CHESS approved)	21st February 2003
15.3	If it is a final dividend, has it been declared? *(Preliminary final report only)*	N/A

+ See chapter 19 for defined terms.

Amount per security

		Amount per security	Franked amount per security at 30 % tax (see note 4)	Amount per security of foreign source dividend
	(Preliminary final report only)			
15.4	**Final dividend:** Current year N/A	na	na	na
15.5	Previous year N/A	na	na	na
	(Half yearly and preliminary final reports)			
15.6	**Interim dividend:** Current year (1)	3.5 ¢	50 %	50 %
15.7	Previous year	3.5 ¢	50 %	50 %

(1) Dividend has not been provided in this interim period in line with AASB 1044

Total dividend (distribution) per security (interim *plus* final) NA

(Preliminary final report only)

	Current year	Previous year
15.8 +Ordinary securities	- ¢	-
15.9 Preference +securities	- ¢	-

Half yearly report - interim dividend (distribution) on all securities *or* Preliminary final report - final dividend (distribution) on all securities

	Current period $A millions	Previous corresponding period - $A millions
15.10 +Ordinary securities *(each class separately)* (1)	41.6	44.3
15.11 Preference +securities *(each class separately)*	-	-
15.12 Other equity instruments *(each class separately)*	-	-
15.13 Total	**41.6**	**44.3**

(1) Dividend has not been provided in line with AASB 1044

The +dividend or distribution plans shown below are in operation.

Dividend Reinvestment Plan

Participation is limited to 20,000 for any one shareholder. The strike price is calculated on the weighted average share price, applicable to the five trading days immediately following the record date.

The last date(s) for receipt of election notices for the +dividend or distribution plans	24th February 2003

Any other disclosures in relation to dividends (distributions). *(For half yearly reports, provide details in accordance with paragraph 7.5(d) of AASB 1029 Interim Financial Reporting)*

The interim dividend will be partially franked to 50%. There are no material franking credits available at half year end (2001: $7.8 million). The parent entity has a balance in its Foreign Dividend Account of $64.5 million (2001: $36.3 million). 50% of the dividend declared will be paid from this account. Dividends paid during the interim period were all provided for at 30 June 2002.

+ See chapter 19 for defined terms.

Details of aggregate share of profits (losses) of associates and joint venture entities

Group's share of associates' and joint venture entities':	Current period $A millions	Previous corresponding period - $A millions
16.1 Profit (loss) from ordinary activities before tax	0.6	-
16.2 Income tax on ordinary activities	(0.1)	-
16.3 Profit (loss) from ordinary activities after tax	**0.5**	-
16.4 Extraordinary items net of tax	-	-
16.5 Net profit (loss)	**0.5**	-
16.6 Adjustments	-	-
16.7 Share of net profit (loss) of associates and joint venture entities	**0.5**	-

Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities. *(If the interest was acquired or disposed of during either the current or previous corresponding period, indicate date of acquisition ("from dd/mm/yy") or disposal ("to dd/mm/yy").)*

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss) (*item 1.9*)	
17.1 Equity accounted associates and joint venture entities	Current Period	Previous corresponding period	Current period $A millions	Previous corresponding period - $A millions
Fresh Start Bakeries	50%	-	0.5	-
17.2 Total	**50%**	-	**0.5**	-
17.3 Other material interests	-	-	-	-
17.4 Total	-	-	-	-

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current period

(Description must include rate of interest and any redemption or conversion rights together with prices and dates)

Category of +securities		Total number	Number quoted	Issue price per security (see note 14) **(cents)**	Amount paid up per security (see note 14) **(cents)**
18.1	**Preference +securities** *(description)*				
18.2	Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks, redemptions				
18.3	**+Ordinary securities**	1,188,820,329	1,188,820,329	Fully paid	Fully paid
18.4	Changes during current period				
	(a) Increases through issues	7,495,136	7,495,136	Fully paid	Fully paid
	(b) Decreases through returns of capital, buybacks **Note 1**	(49,795,510)	(49,795,510)	Fully paid	Fully paid
	(c) Options exercised	6,350,000	6,350,000	Fully paid	Fully paid
18.5	**+Convertible debt securities** *(description and conversion factor)*				
18.6	Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted				

Note 1: On the 27th November 2001 the company commenced its on market programme to buy back $100 million in shares. On the 21st June 2002 the buy back was extended to $200 million in shares. A further third tranche of $100 million was announced 8th November 2002 and will commence once the current $200 million share buy back has been completed. 111.9 million shares have been cancelled in the period to 31 December 2002 since commencement of the buy back. This represents 9.4% of total shares outstanding at 31 December 2002. The cost of acquisition being $169.3 million. Prices at which shares were bought back ranged from $1.30 to $1.69. The average buy back price was $1.51.

+ See chapter 19 for defined terms.

				Exercise price	Expiry Date (if any)
18.7	**Options** *(description and conversion factor)*		375,000*	1.58	19.12.06
			600,000*	2.14	12.12.07
			1,545,000	1.95	22.12.07
			4,452,400	2.39	31.03.08
			1,000,000*	1.76	04.12.06
			2,482,000	2.10	22.12.08
			2,250,000*	1.54	31.03.09
			15,000*	1.44	31.08.09
			750,000*	1.23	04.09.10
			300,000*	1.26	19.07.10
			150,000*	1.26	29.01.11
			3,000,000*	1.27	16.11.11
			2,000,000*	Note 1	16.11.11
18.8	Issued during current period		**Nil**		
18.9	Exercised during current period		6,000,000	1.30	31.03.04
			100,000	1.11	15.03.10
			250,000	1.26	31.10.02
18.10	Expired during current period		1,340,000	1.47	15.11.02
			1,000,000	2.14	31.10.02
			240,000	1.76	31.10.02
			200,000	1.11	15.03.10
			750,000	1.58	19.12.06
			740,000	1.95	22.12.07
			132,000	2.39	31.03.08
			1,260,000	2.10	22.12.08
18.11	**Debentures** *(description)*				
18.12	Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted				
18.13	**Unsecured notes** *(description)*				
18.14	Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted				

Note 1: The exercise price for the 2,000,000 options is to be set on 16 November 2003. The right to exercise the 2,000,000 options or part thereof will be determined in November 2003 after a performance review by the Board

* Time and/or performance hurdles apply

Options

Senior Management Options Incentive Plan

As announced on 16 December 2002, Goodman Fielder introduced this plan as part of the revised executive remuneration program. In the 2002 offer, approximately 9.1 million Options will be granted at an issue price of $1.48, being the volume weighted average price at which shares traded in the five day period prior to 5 December 2002. As Options cannot be issued under the ASX Listing Rules without Shareholder approval for three months after Goodman Fielder was told in writing that Burns Philp intended to make a takeover offer for Goodman Fielder, it is the Board's intention to issue these Options to executives when that three month period has expired. However, it is a term of this plan that once the Options are issued, if there is a change of control of Goodman Fielder within the first six months of the non-exercise period relating to those Options, then those Options will not be excercisable and will lapse. The non-exercise period for those Options commenced on 16 December 2002.

Long Term Incentive Plan

The plan commenced in 2000. Under the plan terms, executives and managers would participate in the Plan which provided that fully paid ordinary shares would be issued on the basis that performance hurdles are met at the end of each Plan Period.

Entitlements to participate in the Plan periods ending 30 June 2004 and 30 June 2005 have been set. The table below shows the range in the number of shares which could be issued under the plans.

There will be no long term incentive benefits in respect of the period ending 30 June 2003.

Plan Period Ending	Participants	Shares to be issued Performance Hurdles Not Achieved	Achieved Range minimum - maximum
30 June 2004	68	nil	1.1 mill – 3.3 mill *
30 June 2005	601	nil	2.8 mill – 11.1 mill

* As a result of receiving the Bidder's Statement, Goodman Fielder issued 2,165,865 Shares to the custodian. If a bidder reaches compulsory acquisition, or the offer is recommended by the Board and special conditions exist (for example, a bidder holds close to 90%) the Board may decide to allow the Shares held by the custodian to be allocated to participants.

Segment reporting

Refer Attachment A

Comments by directors

Basis of financial report preparation

19.1 This report is a half yearly financial report, it is a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including, AASB 1029: Interim Financial Reporting and other mandatory professional reporting requirements (Urgent Issues Group consensus views). **It should be read in conjunction with the last +annual report and any announcements to the market made by the entity during the period.** The Statement of Financial Performance is condensed as defined in AASB 1029: Interim Financial Reporting. This report does not include all the notes of the type normally included in an annual financial report.

+ See chapter 19 for defined terms.

19.2 Material factors affecting the revenues and expenses of the economic entity for the current period. In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations.

Sales of Milling operation refer 12.1

19.3 A description of each event since the end of the current period which has had a material effect and which is not already reported elsewhere in this Appendix or in attachments, with financial effect quantified (if possible).

Sale of remaining Leiner Davis Gelatin operations

The remaining US and Argentinian based gelatin operations were sold 31 January 2003 to Tessenderlo Chemie SA/NV for $A115 million ($US67 million). The sale is subject to regulatory approval. However based on the US Federal Trade Commission review of our gelatin divestments, we don't anticipate any approval difficulties.

Unsolicited Bid

On 13 December 2002, Burns, Philp & Company Limited **(Burns Philp)** announced its intention to make an unsolicited, conditional, off-market cash takeover bid for all the issued ordinary shares in Goodman Fielder Limited, at $1.85 per share. At the time Burns Philp also stated that it had acquired approximately 14.9 per cent of the ordinary shares in Goodman Fielder on 12 December 2002.

The bidders statements and the target's statements have been despatched to shareholders. The closing date of the bid has been extended to 5 March, 2003. The bid is subject to regulatory approvals and conditions that must be fulfilled or waived. The Directors of Goodman Fielder Limited have recommended that shareholders reject the offer.

19.4 Franking credits available and prospects for paying fully or partly franked dividends for at least the next year.

The interim dividend will be partially franked to 50%. Its is likely that subsequent dividends declared and paid will be partially franked.

+ See chapter 19 for defined terms.

19.5.1 Unless disclosed below, the accounting policies, estimation methods and measurement bases used in this report are the same as those used in the last annual report. Any changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows. (Disclose changes and differences in the half yearly report in accordance with AASB 1029: Interim Financial Reporting. Disclose changes in accounting policies in the preliminary final report in accordance with AASB 1001: Accounting Policies-Disclosure).

Change in accounting policy for providing for dividends

Provision is only made for the amount of any dividend declared, determined or publicly recommended by the directors on or before the half year but not distributed at balance date.

The above policy was adopted with effect from 1 July 2002 to comply with AASB 1044 "Provisions, Contingent Liabilities and Contingent Assets" released in October 2001 and applied to the half year ended 31 December 2002. In previous periods, in addition to providing for the amount of any dividends declared, determined or publicly recommended by the directors on or before the end of the period but not distributed at balance date, provisions was made for dividends to be paid out of retained earnings at the end of the period where the dividend was proposed, recommended or declared between the end of the period and the completion of the financial report.

An adjustment of $49 million was made against consolidated retained profits at the beginning of the half year to reverse the amount provided at 30 June 2002 for the proposed final dividend for the year ended on that date that was recommended by the directors between the end of the financial year and the completion of the financial report. This reduced the consolidated current liabilities at the beginning of the half year by $49 million with corresponding increases in consolidated net assets, retained profits, total equity and total dividends provided for and paid during the current interim period. In accordance with the new standard no dividend provision has been has been recorded at 31 December 2002.

The change in accounting policy has had no effect on basic and diluted EPS.

19.6 Revisions in estimates of amounts reported in previous interim periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous +annual reports if those revisions have a material effect in this half year.

Nil

+ See chapter 19 for defined terms.

19.7 Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last + annual report.

Taxation Audit – 1990 Re-financing Facility

On the 8 January 2003, Goodman Fielder advised shareholders in an ASX announcement of recent correspondence from the Australian Taxation Office (ATO). This correspondence referred to a re-financing facility that was established by Goodman Fielder in December 1990.

On the 24 December 2002, after a course of correspondence and meetings between Goodman Fielder and the ATO, the ATO advised that it had determined that Part IVA of the Income Tax Assessment Act applied to the arrangements concerning the re-financing facility, and invited Goodman Fielder to respond.

Goodman Fielder did so on 17 January 2003 in respect to a number of issues raised by the ATO. The company also sought further discussions with the ATO. No amended tax assessment has yet been issued in relation to this re-financing facility.

Upon receipt of the 24 December 2002 letter from the ATO, Goodman Fielder sought independent advice as to its tax liability and as to any potential financial impact on Goodman Fielder. Goodman Fielder has been advised that it should have no additional tax liability.

If the view expressed by the ATO in its letter prevails, contrary to independent advice provided to Goodman Fielder, then, based on the ATO's analysis of the position, Goodman Fielder may incur an expense for additional income tax for a total liability of $A138.6 million.

After applying an existing specific provision of $A37 million relating to the deferred income tax liability (which reflects the previously calculated and on-going tax outlays over the remaining life of the re-financing facility), the exposure is reduced to $A101.6 million.

Even if the ATO view is correct on the basic issue of the liability, the total potential amount payable remains extremely uncertain. Goodman Fielder continues to be advised that it should have no additional tax liability in relation to this matter and therefore maintains that it has applied the correct tax treatment to its re-financing facility. Accordingly, Goodman Fielder will object to and vigorously oppose any amended assessments.

Singapore Tax

In September 2001, the Inland Revenue Authority of Singapore issued assessments resulting in an additional tax liability of $S14.9 million or approximately $A14.7 million, in relation to the years from 1992 to 1997. The claimed increase in assessable gains relates to two transactions in 1992 and 1995 involving the sale of shares that Goodman Fielder treated as on capital account and therefore not taxable in Singapore. The Inland Revenue Authority of Singapore is claiming the transaction was on revenue account. Goodman Fielder continues to be advised that it should have no additional tax liability in relation to this matter and therefore maintains that it has applied the correct tax treatment to the transaction. After allowing for provisions and possible foreign tax credits the matter is fully provided for in Goodman Fielder's accounts.

+ See chapter 19 for defined terms.

Additional disclosure for trusts NA

20.1	Number of units held by the management company or responsible entity or their related parties.	
20.2	A statement of the fees and commissions payable to the management company or responsible entity. Identify: • initial service charges • management fees • other fees	

Annual meeting NA

(Preliminary final report only)

The annual meeting will be held as follows:

Place	
Date	
Time	
Approximate date the +annual report will be available	

+ See chapter 19 for defined terms.

BUSINESS SEGMENT DATA

(a) Primary Reporting Business Segments

	Milling Australia		Baking Australia		New Zealand		Consumer Foods		International		Ingredients		Corporate / Unallocated		Eliminations		Total Economic entity	
	2002 $Mil	2001 $Mil	**2002 $Mil**	2001 $Mil	**2002 $Mil**	2001 $Mil	**2002 $Mil**	2001 $Mil	**2002 $Mil**	2001 $Mil	**2002 $Mil**	2001 $Mil	**2002 $Mil**	2001 $Mil	**2002 $Mil**	2001 $Mil	**2002 $Mil**	2001 $Mil
Revenue																		
Sales external to the economic entity	**74.0**	129.2	**374.4**	392.2	**291.6**	256.9	**451.5**	430.3	**139.7**	163.7	**65.1**	166.7			**-**	-	**1,396.3**	1,539.0
Internal Sales	**56.8**	91.5	**3.9**	4.5	**9.3**	12.8	**40.0**	38.0	**-**	1.4	**-**	1.0			**(110.0)**	(149.2)	**-**	-
Other Revenue	**195.3**	1.1	**2.7**	1.5	**0.8**	0.7	**4.3**	-	**0.5**	1.0	**-**	208.8	**0.8**	0.4			**204.4**	213.5
Unallocated - interest revenue																	**9.6**	4.6
Total Revenue	**326.1**	221.8	**381.0**	398.2	**301.7**	270.4	**495.8**	468.3	**140.2**	166.1	**65.1**	376.5	**0.8**	0.4	**(110.0)**	(149.2)	**1,610.3**	1,757.1
Segment Result																		
Trading result	**6.8**	11.8	**18.8**	25.7	**38.2**	34.4	**51.0**	41.2	**12.3**	14.6	**11.2**	19.0	**(17.8) ***	(15.3)			**120.5**	131.4
Rationalisation & restructuring	**(0.6)**	-	**(6.4)**	(32.1)	**(3.9)**	(2.8)	**(4.0)**	(30.5)	**(1.3)**	(2.7)	**-**	(0.7)	**(0.3)**	-			**(16.5)**	(68.8)
Other Significant items	**12.5**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	99.1	**(10.0)**	-			**2.5**	99.1
	18.7	11.8	**12.4**	(6.4)	**34.3**	31.6	**47.0**	10.7	**11.0**	11.9	**11.2**	117.4	**(28.1)**	(15.3)		-	**106.5**	161.7
Interest																	**(15.8)**	(28.1)
Profit from ordinary activities before tax																	**90.7**	133.6
Tax																	**(23.6)**	(34.8)
Outside equity interest																	**(0.4)**	(0.4)
Net Profit (loss)																	**66.7**	98.4

* *Includes $6.0 million non recurring workers compensation costs.*

(b) The Ingredients & Milling segment result is detailed below:

	Total Gelatin $Mil	Total Milling $Mil
Revenue from ordinary activities	65.1	137.6
Expenses from ordinary activities	53.9	130.8
Trading result	11.2	6.8
Interest/Adminstration costs	(2.4)	5.0
Profit from ordinary activities before income tax	13.6	1.8
Income tax on profit (loss) from ordinary activities	(4.9)	2.3
Profit from ordinary activities after income tax	8.7	4.1

Attachment B

SIGNIFICANT ITEMS

	Consolidated 2002 $Millions	2001 $Millions
Significant items including rationalistion & restructuring have been included in the Statement of Financial performance as follows:		
Revenue generated from Investing activities		
Proceeds on sale of Milling	**195.3**	-
Proceeds on sale of Germantown	-	197.7
	195.3	197.7
Proceeds from sale of other businesses	-	-
Other revenue from Investing activities	**18.7**	20.4
Total Revenue generated from Investing activities	**214.0**	218.1
Expenses relating to Investing activities		
Book value Milling	**(182.8)**	-
Book value Germantown	-	(98.6)
	(182.8)	(98.6)
Book value of other businesses sold	-	-
Other	-	-
Total expenses relating to Investing activities	**(182.8)**	(98.6)
Marketing, Selling & Distribution expenses		
Rationalisation & Restructuring costs *	**6.3**	4.7
Other	**290.5**	308.4
Total Marketing, Selling & Distribution expenses	**296.8**	313.1
Production expenses		
Rationalisation & Restructuring costs *	**8.7**	48.8
Administration expenses		
Significant items	**10.0**	-
Rationalisation & Restructuring costs *	**1.5**	15.3
Other	**105.9**	137.7
Total Administration expenses	**117.4**	153.0

* Rationalisation and restructuring relates to costs incurred to reset corporate, in line with divestments and bringing forward of initiatives that will deliver future efficiency and productivity gains.

Compliance statement

1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX (see note 12).

Identify other standards used	

2 This report, and the +accounts upon which the report is based (if separate), use the same accounting policies.

3 This report does give a true and fair view of the matters disclosed (see note 2).

4 This report is based on +accounts to which have been subject to review by the Company's auditor.

5 The audit report or review by the auditor is attached.

6 The entity has a formally constituted audit committee.

Sign here: .... Date: .12th FEBRUARY, 2003
Company Secretary

Print name: IAN GILMOUR..................................

+ See chapter 19 for defined terms.

GOODMAN FIELDER LIMITED AND ITS CONTROLLED ENTITIES
DIRECTORS' DECLARATION – 31 DECEMBER 2002

In the opinion of the directors:

(a) the attached financial statements and notes of the consolidated entity:

(i) give a true and fair view of the financial position as at 31 December 2002 and the performance for the half-year ended on that date of the consolidated entity; and

(ii) comply with Accounting Standard AASB1029: "Interim Financial Reporting" and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed at Sydney this the 12th day of February, 2003
in accordance with a resolution of the Directors.

On behalf of the Board

T.P. Park
Director

ERNST & YOUNG

[illegible] George Street
Sydney NSW 2000
Australia

GPO Box [illegible]
Sydney NSW [illegible]

Tel [illegible]
Fax [illegible]
DX [illegible] Sydney

INDEPENDENT REVIEW REPORT

To the members of Goodman Fielder Limited

Scope

We have reviewed the financial report of Goodman Fielder Limited in the form of Appendix 4B of the Australian Stock Exchange (ASX) Listing Rules, as set out on pages 1 to 21, including Attachments A and B and the Directors' Declaration for the half-year ended 31 December 2002, but excluding the Compliance Statement.

The financial report includes the consolidated financial statements of the consolidated entity comprising Goodman Fielder Limited and the entities it controlled at the end of the half-year or from time to time during the half-year. The disclosing entity's directors are responsible for the financial report. We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory professional reporting requirements in Australia, statutory requirements and ASX Listing Rules as they relate to Appendix 4B, and in order for the company/disclosing entity to lodge the financial report with the Australian Securities and Investments Commission and the ASX.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. Our review was limited primarily to inquiries of the entity's personnel and analytical review procedures applied to financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Review Statement

As a result of our review, we have not become aware of any matter that makes us believe that the half-year financial report, as defined in the scope section, of Goodman Fielder Limited is not in accordance with:

a) the Corporations Act 2001, including:

   (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2002 and of its performance for the half-year ended on that date; and

   (ii) complying with Accounting Standard AASB 1029 "Interim Financial Reporting", and the Corporations Regulations 2001; and

b) other mandatory professional reporting requirements in Australia and ASX Listing Rules as they relate to Appendix 4B.

Ernst & Young

SJ Ferguson
Partner
Sydney

Date: 12 February 2003

GOODMAN FIELDER LIMITED AND ITS CONTROLLED ENTITIES
DIRECTOR'S REPORT – 31 DECEMBER 2002

Your Directors submit their report for the half year ended 31 December 2002.

Directors

The names of the Directors of the Company in office during the half year and until the date of this report are:-

• **R.K. Barton**	BSc, PhD, FTSE (Chairman)
• **Sir Dryden Spring**	(Deputy Chairman)
• **T.P. Park**	BScEE, MBA (Managing Director and Chief Executive Officer)
• **Sir Ross Buckland**	FCPA, FCIS
• **J.R. Grant**	CA, MBA (Columbia)
• **J. L. Holmes à Court**	AO, BSc
• **N.C. Lister**	BEc
• **C.B. Livingstone**	BA (Hons), FCA, FTSE

All Directors shown were in office from the beginning of the half-year until the date of this report.

Review and Results of Operations

The review and results of operations are set-out in Annexure A.

Rounding

The amounts contained in this report and in the half year financial report have been rounded off under the option available to the company under ASIC Class Order 98/0100. The Company is an entity to which this Class Order applies.

Signed in accordance with a resolution of the Directors.

T.P. Park
Managing Director

Sydney
12 February 2003

ANNEXURE "A"

Goodman Fielder

A N N O U N C E M E N T

For immediate release 12 February 2003

Goodman Fielder strategy delivers strong returns

Goodman Fielder's first half 2003 Net Profit After Tax (NPAT) of $70.2 million exceeds prior year results despite substantial divestments and a difficult operating environment. The HY03 results announced today solidly underpin Goodman Fielder's forecast of $121.5 million NPAT for the year.

Return on Funds Employed (ROFE) increased 3.8 points to 16.5% while Economic Profit more than doubled for the half to $21.9 million, up $11 million on prior year.

Key Outcomes

- **ROFE up 3.8 points to 16.5%**
- **Economic Profit doubles to $21.9 million – a $11 million increase**
- **NPAT before significant items up 2.6% to $70.2 million despite divestments**
- **NPAT after significant items of $66.7 million including significant items of bid related costs of $3.5 million**
- **Core EBIT up from $100.6 million to $108.5 million, a 7.9% increase**
- **Operating cash flow of $130 million**
- **Basic earnings per share up 0.5 cents to 5.8 cents per share**
- **Dividend maintained at 3.5 cents per share, franked to 50% and payable on 14 March 2003 (four weeks ahead of schedule)**
- **First tranche of share buy-back completed, second tranche temporarily suspended (approximately 70% complete)**

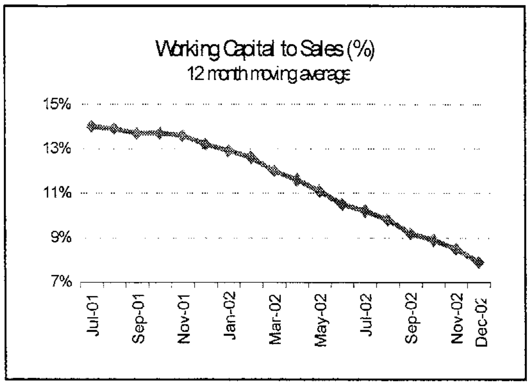
Key Indicators	HY02	HY03	Improved By
EBIT to sales	8.5%	8.6%	0.1 point
Working capital to sales	13.2%	7.9%	5.3 points
Operating cash flow	$170.0m	$130.0m	
Funds employed	$1668.3m	$1382.6m	17.1%
Return on funds employed	12.7%	16.5%	3.8 points
Economic Profit	$10.9m	$21.9m	101%
Basic EPS before significant items	5.3 cents	5.8 cents	9.4%

Note: Goodman Fielder is currently the subject of an unsolicited off-market cash takeover bid by Burns Philp for all the issued ordinary shares in Goodman Fielder.

ANNEXURE "A"

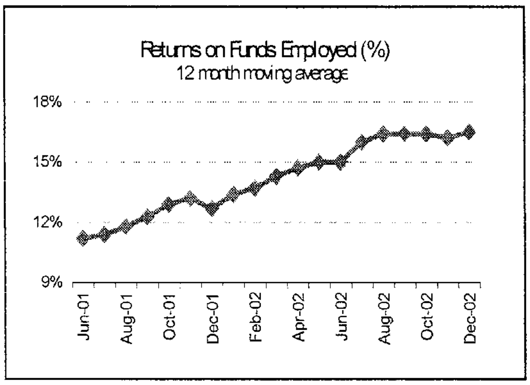
Performance Ratios

Goodman Fielder Chief Executive Mr Tom Park said, "since the *new* Goodman Fielder strategy was implemented in July 2001, the company's core performance ratios have consistently improved as a result of effective portfolio management, improving management processes and the ongoing retail branded strategy which is continuing to gain momentum in the marketplace. Further progress is targeted and is expected to be achieved."



Working Capital to Sales

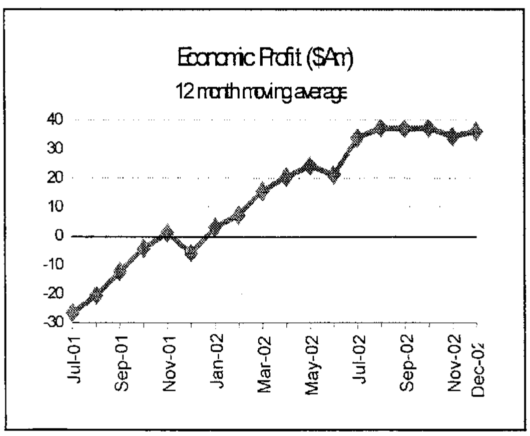
The working capital to sales ratio has decreased from 13.2% for HY02 to 7.9% for HY03. This reflects strong disciplines in working capital management.



Return on Funds Employed

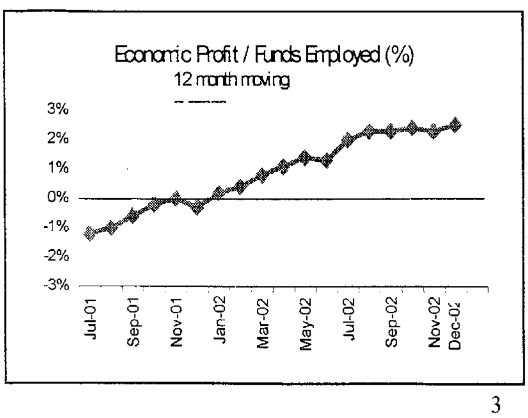
ROFE is up to 16.5% from 12.7% from HY02. This provides a real measure of the benefits we are extracting from:

- our focus on retail branded businesses and subsequent divestments;
- improving underlying performance of these businesses;
- continuing investment in core brands; and
- strong working capital and capital expenditure management.



Economic Profit

Our consistent improvement over the past two years reflects our focus on pursuing activities that create shareholder value. This increase has occurred despite divestments which have reduced EBIT, and significant commodity cost impacts. The healthy trendline reflects our ongoing pursuit of Economic Profit over time, which is a proven determinant of total shareholder returns.



Economic Profit/Funds Employed

The growing trend in Economic Profit as a percentage of funds employed reflects our retail branded focus and the positive value our brands are creating as they increasingly perform.

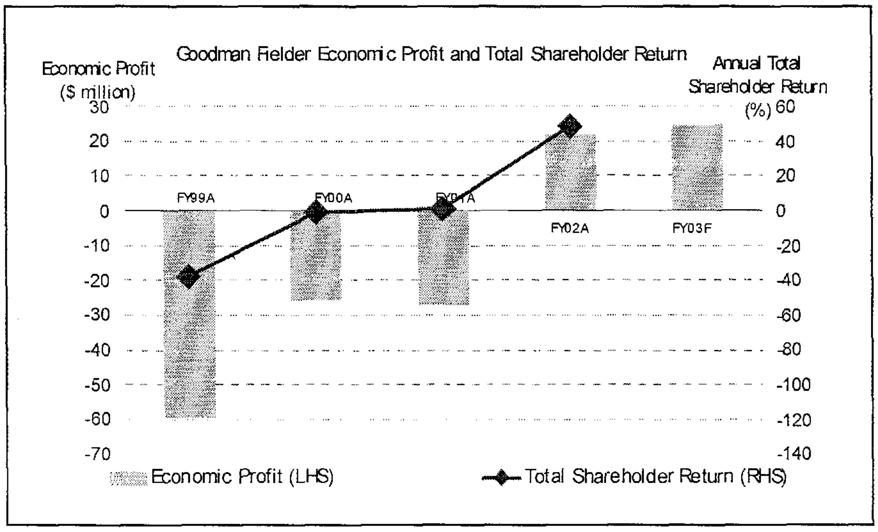
C'66 21T

Results Commentary

Goodman Fielder Chief Executive Mr Tom Park said, "we are pleased with the HY03 result which is a strong performance particularly given the further divestments of non core businesses and continuing pressure of commodity cost increases.

"Underpinning our progress towards establishing Goodman Fielder as the leading retail branded food company in Australasia and the Pacific, are consistent improvements in ROFE and Economic Profit. This highlights our progress and mirrors the equally strong improvement in total shareholder returns since mid 2001 when our retail branded strategy was adopted.

"Key to our HY03 performance, has been our employees who have stayed focused on putting our core operating principles into practice and are to be congratulated for their ongoing commitment," said Mr Park.



Further indicators of productivity improvements in HY03 include:

- A first half reduction of 33% in stock keeping units, on top of the 21% reduction in F02 (23% excluding divestments)
- A 5.3% reduction in conversion costs year to date compared to HY02
- A 13.9% reduction in employee numbers for the first half in addition to the 17.5% achieved in F02 (7% excluding divestments), and
- A further 4.4% reduction in Lost Time Injury Frequency Rate (LTIFR) on top of the 36% reduction that was achieved in F02.

"As well as achieving positive operational improvements, the 5.3 percentage point decrease in our working capital to sales ratio has helped deliver an operating cash flow of $130 million. During HY03, the quality of core business earnings has further improved with core business EBIT, excluding Milling, Ingredients and a one-off workers' compensation provision, up 7.9% for the half to $108.5 million, following the 3.6% growth in full year F02. Volume growth on several core brands in Australia, New Zealand and in the Pacific is increasingly fuelling this profit improvement. This is reflected in the 6.1% growth in core business revenue, based on HY02 net of divestments versus HY03. This is the only way to obtain a meaningful half on half comparison.

"Goodman Fielder's particularly strong improvement in ROFE to 16.5% and Economic Profit to $21.9 million for the HY03 reflects the emerging benefits of our retail branded strategy and our capacity to continue to improve into the future," Mr Park said.

Outlook

Mr Park said, "the first half results clearly underpin our F03 forecast of a NPAT of $121.5 million, ROFE of 15.4% and a full year Economic Profit of $24.9 million.

"Our recently announced Australian wholesale bread price increase of approximately 5% will largely mitigate the input cost increases such as wheat, insurance and fuel that will continue to impact the business in the second half.

"In addition, positive first half results indicate potential upside for the full year if current market conditions prevail," said Mr Park.

Commenting on planned core brand and marketing activities for the second half, Mr Park highlighted several major initiatives that are already funded and ready for launch. These include:

- roll-out of a major specialty bread program in Australia where par-baked artisan breads would be delivered frozen to major supermarkets and baked in-store.
- Uncle Tobys increased brand support and innovation – [grooved muesli bars, Plus combination cereals, Le Snak and the oats season]
- a major strategic bread initiative in New Zealand involving the market leader Quality Baker's Nature's Fresh brand, and
- continued support for the newly launched Flame branded packaged rice in Papua New Guinea.

"With these initiatives – combined with strong brand support, effective bread pricing and improving productivity and financial ratios – we expect to carry good momentum out of F03 and into F04.

"Goodman Fielder's innovation pipeline is being filled increasingly with long-term projects designed to leverage our core brands. Our focus on core brands will increase our success rate, reduce up-front investments and continue to build our brand equity over time - all consistent with our operating principles.

"Having achieved our mid-term ROFE target of 15% we are now targeting to achieve a sustainable 17 to 20% range within the next 3 years, while still pursuing appropriate growth initiatives and potential capital returns to shareholders during this period," Mr Park said.

Returns to Shareholders

Mr Park said Goodman Fielder continues to increase returns to shareholders through improved operational performance and active capital management, including an on-market share buy-back.

"While the first tranche of the share buy-back has been completed, the second tranche has been temporarily suspended while Goodman Fielder is the subject of a takeover bid, with approximately 70% completed. In terms of current shareholder returns, basic earnings per share before significant items increased by 0.5 cents to 5.8 cents per share in HY03.

"In line with the current dividend policy, the Board of Directors has declared a dividend of 3.5 cents per share, franked to 50%. The record date to determine entitlements to the dividend is 21 February 2003 and the dividend will be mailed to shareholders on 14 March 2003," said Mr Park.

Impact of Dividend on Burns Philp Takeover Bid

Shareholders are advised that under the Burns Philp bidder's statement, the offer price of $1.85 per share will be reduced by the amount of this dividend (but not the value of the franking credit). Shareholders who accept the Burns Philp offer and receive the dividend will be paid only $1.815 per share by Burns Philp, if the offer conditions are satisfied or waived, unless Burns Philp increases its offer price.

Participants in the Goodman Fielder Dividend Reinvestment Plan (DRP) should note that the Burns Philp offer does not apply to shares issued under the DRP for this dividend, because those shares are not in the bid class. However, Goodman Fielder has been advised that Burns Philp will seek a modification from ASIC to extend its offer to those shares. Goodman Fielder will consent to that modification.

Further, the issue of shares under the DRP will breach a defeating condition in clause 9.6(p) of the Burns Philp bidder's statement. However, Goodman Fielder has been advised that Burns Philp will not rely on the issue of shares under the DRP as a breach of this defeating condition.

Business and Financial Performance

Net profit before significant items of $70.2 million is up 2.6% despite divestment. The prior year net profit of $98.4 million included $30 million of one-off benefits from divestment and therefore is not strictly comparable to the $66.7 million net profit in HY03.

Comparing Goodman Fielder's HY02 performance net of all divestments, our core business revenue in HY03 actually increased 6.1%. In addition, core EBIT is up 7.9% versus HY02, though total revenue is down 9.3% as a result of divestments.

Financial summary (A$M)

	HY02	HY03	Variance %
Net external sales revenue	**1,539.0**	**1,396.3**	**-9.3** (1)
Cost of sales	977.3	889.0	
Gross profit	561.7	507.3	
EBIT	**131.4**	**120.5**	**-8.3** (1)
Core EBIT (2)	**100.6**	**108.5**	**+7.9**
Net interest	-28.1	-15.8	
Tax	-34.5	-34.1	
Minority interests	-0.4	-0.4	
NPAT before significant items	**68.4**	**70.2**	**+2.6**
NPAT after significant items (after tax)	+30.0 (3)	-3.5 (4)	
Net Profit	98.4	66.7	

(1) Sales and EBIT down as a result of divestments.
(2) EBIT from continuing businesses.
(3) Profit on sale of Germantown (August 2001) net of other restructure costs.
(4) Bid related costs.

In line with standard practice in the grocery sector and as is necessary every few years, Goodman Fielder reports its financial results based on a 53 week year. This falls due in F03 and therefore impacts on HY03 with the half reporting period extended to 3 January 2003, spanning a quiet trading period.

Divisional Performance

In the first half year to December 2002, Goodman Fielder continued its focus on core retail branded businesses and moved closer to completing its divestment program of non-core and under-performing businesses. This chart identifies core businesses separately, with core EBIT including the results of all retained businesses.

EBIT (ASM)	**HY02**	**HY03**	**Variance %**
Consumer Foods	41.2	51.0	+23.8
Baking Australia	25.7	18.8	-26.8
New Zealand	34.4	38.2	+11.0
International (1)	14.6	12.3	-15.8
Corporate	-15.3	-11.8	+22.9
Core EBIT (2)	**100.6**	**108.5**	**+7.9**
Milling Australia (3)	11.8	6.8	-42.4
Ingredients (4)	19.0	11.2	-41.1
Unallocated (5)	0.0	-6.0	-
Total EBIT	**131.4**	**120.5**	**-8.3**

Footnotes

(1) Excludes Invercargill pastry business in NZ & Goody Foods business in Taiwan which were divested in 2HY02.

(2) EBIT from continuing businesses.

(3) Milling Australia was sold to a joint venture of GrainCorp Ltd and Cargill Australia Ltd in October 2002.

(4) Agreement to sell remaining two Leiner Davis sites announced 31 January 2003.

(5) Unallocated costs; an adjustment for an actuarial estimate relating to self-insurance of workers compensation.

Consumer Foods

A$M	HY02	HY03	Variance
Net external sales	430.3*	451.5	+4.9%
EBIT	41.2*	51.0	+23.8%
EBIT to sales margin (%)	9.6	11.3	+1.7 points
ROFE (%)	14.3	19.1	+4.8 points

*** Excluding divestments, HY02 sales and EBIT are $420.9 million and $40.7 million respectively.**

Commentary

Managing Director of Consumer Foods, Mr Rob Gordon, said good performance of several core retail brands during the first half had created a positive outlook for the division. Net external sales rose 4.9%, EBIT increased by 23.8% and ROFE increased 4.8 percentage points to 19.1% despite higher wheat, oil and oat prices.

"We achieved healthy first half volume growth in core brands such as Uncle Tobys (9%) and Praise (26%) compared to the corresponding period in F02. We also saw a small but very encouraging improvement in our food service business, which is now on the road to recovery.

"During the half, we saw Praise mayonnaise move into the leading market share position over Kraft, we maintained our leading market share position in nutritious snacks, and saw the relaunch of Uncle Tobys Plus cereals more than double our volume share to achieve equal first market leadership in adult combination cereals.

"In contrast our retail margarine volumes during the half were off from last year's levels by 7%, though dollar sales and profits were stronger for the half.

"In line with our strategy of reinvesting productivity savings back into increased core retail brand support, we launched a number of new products and marketing campaigns. For example, we launched Uncle Tobys crunchy muesli bars with bite size wedges – an innovation in the health snack category, extended our Asia@home range, launched a new Praise mayonnaise television advertisement, extended our oats cereals with a range of flavours, increased Le Snak brand support, and re-launched Uncle Tobys twists.

"Looking forward, the division's full year result is expected to represent a solid performance compared with the prior year and to carry good momentum into F04," Mr Gordon said.

Baking Australia

A$M	**HY02**	**HY03**	**Variance**
Net external sales	392.2*	374.4	-4.5%
EBIT	25.7*	18.8	-26.8%
EBIT to sales margin (%)	6.6	5.0	-1.6 points
ROFE (%)	11.3	10.8	-0.5 points

*** Excluding divestments, HY02 sales and EBIT are $371.4 million and $22.5 million respectively.**

Commentary

Mr Simon McDowall, the Managing Director of Baking Australia, said that while the division had posted a disappointing first half result and faced further commodity price increases in the second half, the continuing volume growth on core brands and ongoing productivity gains and cost savings would leave the business well positioned for a rebound to normal profitability when commodity prices alleviated.

"In the six months to 31 December 2002, the division saw net external sales fall by 4.5% while EBIT was down 26.8% against the prior year. A significant proportion of this variation was due to the divestment of the McDonald's bun business into a strategic joint venture with Fresh Start Bakeries of the USA. Excluding this, external sales rose 1% over the period.

"During the first half, core bread brands of Mighty Soft, Helga's and Wonder White in total grew volumes by 5% over the corresponding period, with Helga's the stand-out performer with volume growth of 18%. Significant competitive pressure in the latter part of 2002 impacted sales volumes although this pressure appears to have now largely subsided to create a more balanced market environment.

"Baking Australia suffered from cost pressure between 2001 and 2002 with the wheat price in Australia rising 20% and being passed onto the baking industry in the form of higher flour costs. This was further compounded by sharp rises in insurance and by general increases in labour and other costs.

"While every effort was made to contain costs by significant advances in productivity, a 5% rise in the wholesale price of bread was taken in September 2002. Since then costs, including flour, have risen sharply and we have recently announced a further price increase effective late February 2003.

"Some of the efficiency initiatives achieved during the year included the introduction of paperless warehouse technology that allows for faster, more accurate product dispatch and a significant reduction in the amount of manual handling processes.

"We also automated the delivery of millions of loaves of bread across the country each week using new hand-held tracking devices. This new technology has reduced our margin for error in customer orders and enhanced customer service.

"Looking to the second half, our focus will be on evolving our sales portfolio with the launch of a number of new products as well as further productivity increases and cost savings," said Mr McDowall.

New Zealand

A$M	HY02	HY03	Variance
Net external sales	256.9	291.6	+13.5%
EBIT	34.4	38.2	+11.0%
EBIT to sales margin (%)	13.4	13.1	-0.3 points
ROFE (%)	23.0	26.2	+3.2 points

Commentary

The Managing Director of Goodman Fielder New Zealand, Mr Ron Vela, said despite significant increases in commodity and supply chain costs as well as competitive pricing conditions, the New Zealand business improved ROFE by 3.2 percentage points to a record 26.2%.

Mr Vela said, "while revenue and earnings are up in Australian dollars, the stronger New Zealand dollar generated a significant proportion of these increases. Good recovery in market share positions, particularly the key bread and snacks categories, assisted by increased investment in direct marketing expenditure, some price increases and strong ongoing productivity gains, ensured that we mitigated increased cost pressures.

"Ongoing focus on our capital employed through SKU reduction, working capital management and contained capital expenditure ensured we reduced working capital to 7.7% of net sales and Economic Profit improved by 5%.

"Recent reinvestment in our core brands saw Bluebird volumes grow by 10% and Vogel's by 18% for the half. The popular Bluebird penguin character is now being rolled out across all our salty snacks' range and wrapped snack bars. The "Edmonds Cooking Class" was launched on national television in July 2002 and has proven to be a strong advertising vehicle to showcase our heritage icon brands and effectively launch new products. As a result, we retained the number one or number two market share position in 26 of 28 key categories.

"Ongoing productivity gains in wastage, labour efficiencies and production through-puts continued to deliver efficiencies to improve our costs and enhance customer service levels. In addition, we implemented major capital initiatives such as robotic palletiser installations and pastry and pasta production consolidations.

"Looking forward, we expect to deliver a continued solid performance during the second half on the back of improving customer service levels, productivity initiatives and an exciting range of product launches. This is the platform from which we will continue to deliver growth in our core brand volumes," said Mr Vela.

International

A$M	HY02	HY03	Variance
Net external sales	163.7*	139.7	-14.7%
EBIT	14.6*	12.3	-15.8%
EBIT to sales margin (%)	8.9	8.8	-0.1 points
ROFE (%)	19.4	16.3	-3.1 points

*** Excluding divestments, HY02 sales and EBIT are $135.7 million and $12.3 million respectively.**

Commentary

Goodman Fielder International's Managing Director Mr Garry Habel said, "the Division returned to sound profitability levels for the first half of F03 after accounting for the divested businesses of Goody Foods Taiwan and Invercargill Trading in New Zealand.

"Several core categories in the Pacific showed good growth with Crest chicken volumes in Fiji up 30%, retail margarine up 13%, snacks up 14% and pilot commercial margarine volumes in China grew 10% for the half. In addition, productivity targets were achieved across the business.

"Consistent with our strategy of leveraging our icon brands into new categories, Flame rice was launched in Papua New Guinea (PNG) late in the first half and is expected to contribute positively to profits in the second half of the year.

"We also test marketed Uncle Tobys nutritious snacks in Shanghai during the first half with pleasing results and intend to commercialise this product in selected major cities in the second half of the year.

"Importantly, unfavourable factors, which weighed on the business in the second half of F02 are being favourably resolved through more timely recovery of commodity cost increases in PNG, successful cost reduction initiatives and improved price flexibility.

"For example, improvements in our flour milling process in PNG have delivered significant savings over HY03 versus F02. Our expectation is for these improvements to continue in the second half through best-practice management, a small investment in capital equipment and improved access to quality market data.

"This together with the divestment of the highly seasonal Taiwan business which was historically EBIT positive in the first half and EBIT negative in the second half, provides a basis for continued improvements in second half F03.

"With reduced funds employed, post divestments, and with the favourable operating outlook, ROFE is expected to return to the low 20's for the full year," said Mr Habel.

Ingredients

A$M	HY02	HY03	Variance
Net external sales	166.7	65.1	-60.9%
EBIT	19.0	11.2	-41.1%
EBIT to sales margin (%)	11.4	17.2	+5.8 points
Return on funds employed (%)	11.2	16.0	+4.8 points

Commentary

"Results from the Ingredients division," said Managing Director, Ingredients Division, Mr Ian Glasson, "reflect good performance from businesses in North and South America following the sale of major Leiner Davis assets to DGF Stoess in March 2002. The improved EBIT margin and ROFE are indicative of the outstanding efforts made by the team in consolidating and building the new business.

"The remaining business has grown gelatin export sales to Asia while maintaining market leadership in edible gelatin in the USA and Argentine markets. Production costs were also reduced at the Davenport facility in Iowa and record production levels achieved in the company's Santa Fe plant in Argentina.

"Notwithstanding an environment of continued divestment and a smaller business base, substantial returns and efficiency improvements were achieved.

"The agreement to sell the remaining Ingredients business to Tessenderlo Chemie SA/NV was announced last month and is expected to be completed by March 2003, following Federal Trade Commission approval. The agreed sale price was above book value and the transaction concludes the successful divestment of our Ingredients business during the past two years," said Mr Glasson.

Milling

A$M	HY02	HY03	Variance
Net external sales	129.2	74.0	-42.7%
EBIT	11.8	6.8	-42.4%

Commentary

Goodman Fielder successfully divested its Milling business in early October 2002 to a joint venture between Graincorp and Cargill for approximately $200 million. As a result of the timing of that divestment, our half year results include three months of trading for the Milling business which was tracking slightly ahead of its HY02 performance.

For further information

Investor Relations
Lina Melero Nichele
Corporate Affairs Director
Tel: +61 2 8874 6095
Mob: +61 401 700 000

Media Relations
Stephen Ellaway
Corporate Affairs Manager
Tel: +61 2 8874 6064
Mob: +61 401 700 151

To access the live webcast of the Goodman Fielder Half Year Results on **12 February at 9.30am** (AEDST) go to www.goodmanfielder.com.au

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