



6 October 2008

PROPOSAL FOR HEINZ TO ACQUIRE GOLDEN CIRCLE LIMITED

Golden Circle Limited (**Golden Circle**) and H.J. Heinz Company Australia Limited (**Heinz**) have today announced they have entered into an Implementation Agreement whereby it is proposed that Heinz will acquire all of the Golden Circle shares on issue for **A\$1.65 cash per share** (the **Heinz Proposal**), valuing Golden Circle at approximately \$288 million.

The acquisition is to be implemented by way of a Scheme of Arrangement (the **Scheme**) under which Golden Circle Shareholders will be asked to vote on the Heinz Proposal at a Scheme Meeting, expected to be held in early to mid December 2008 (**Scheme Meeting**). Further details of the Scheme will be provided to Golden Circle Shareholders in the coming weeks through an Explanatory Booklet, which will include an Independent Expert's Report.

Scheme Highlights

- Heinz proposes to acquire the entire issued capital of Golden Circle for \$1.65 per share in cash
- The Directors of Golden Circle strongly encourage Shareholders to vote in favour of the Scheme - either in person at the Scheme Meeting or by proxy (in the absence of a Superior Proposal and subject to the Independent Expert concluding that the Scheme is in the best interest of Golden Circle Shareholders). For Shareholder approval to be obtained, more than 50% in number of Golden Circle Shareholders voting at the Scheme Meeting (whether in person or by proxy) (Headcount Test), and at least 75% of the total number of votes cast at the Scheme Meeting (whether in person or by proxy) must approve the Scheme
- If successful, it is expected that the Scheme will be implemented, including the payment of \$1.65 per share to Golden Circle Shareholders, by late December 2008
- Heinz has indicated its desire to maintain contracts between Golden Circle and its growers, who would benefit from potential increases in demand volume over time as Heinz grows the business
- An Independent Expert, Ernst & Young Transaction Advisory Services Limited, has been appointed by the Board of Golden Circle to consider the Heinz Proposal and provide an opinion on whether the Heinz Proposal is in the best interest of Golden Circle Shareholders, in the absence of a Superior Proposal
- The Board of Golden Circle has unanimously recommended the Heinz Proposal, and intends to vote in favour of the Heinz Proposal with respect to all Golden Circle shares held by them or in which they otherwise have a relevant interest. This unanimous recommendation is subject to no Superior Proposal emerging and the Independent Expert concluding that the Scheme is in the best interest of Golden Circle Shareholders
- Golden Circle's major Shareholder, Anchorage, intends to vote their shares in favour of the Scheme, in the absence of a Superior Proposal
- \$1.65 per share represents a significant premium of 313% to the closing price of Golden Circle on 3 October 2008 of \$0.40, being the last trading day prior to the announcement of the Heinz Proposal
- Every Golden Circle Shareholder will be asked to vote on the Heinz Proposal at a Scheme Meeting expected to be held in early to mid December 2008, either in person or by completing the relevant proxy form

- Important information on the Heinz Proposal will be contained within the Explanatory Booklet which is expected to be circulated to Golden Circle Shareholders in late October or early November 2008
- Implementation of the Scheme is subject to a number of conditions (summarised in the attachment to this announcement) including the approval of the Supreme Court of Queensland

Golden Circle Chairman, Mr. Phillip Cave said: "The Board of Golden Circle believes that the Heinz Proposal represents a compelling value proposition and is in the best interests of Golden Circle Shareholders. In the absence of a Superior Proposal, the Board of Golden Circle unanimously recommends that Golden Circle Shareholders vote in favour of the Heinz Proposal at the Scheme Meeting."

"The continuation of contracts between growers and Golden Circle was an issue of high importance during our deliberations regarding the Heinz Proposal. Heinz has indicated its desire to maintain grower contracts," he said.

"The Board also considers the certainty of timing and payment of the Heinz Proposal as attractive for all Golden Circle Shareholders, particularly during a period of difficult economic conditions".

Golden Circle's largest Shareholder, Anchorage, which has a 35% shareholding commented, "The Heinz Proposal is very attractive and we intend to vote in favour of the Heinz Proposal in the absence of a Superior Proposal."

Golden Circle Chief Executive Officer Craig Mills said: "Heinz is a leading global player in the food industry. It is considered an innovator with considerable marketing know-how"

"The acquisition provides the opportunity for a complementary product range offering a wide variety of everyday consumer food and beverages under iconic brands."

Heinz Managing Director, Mr. Peter Widdows said: "Like Heinz, Golden Circle holds a longstanding Australian heritage of providing high quality, affordable food and beverages to Australian families. We look forward to continuing this heritage and growing the Golden Circle business."

"We are acutely aware of Golden Circle's origins and the importance of Golden Circle to the farming community. Our desire is to maintain contracts between growers and Golden Circle, which would benefit from potential increases in volume over time as the combined sales and marketing strength of a combined Golden Circle and Heinz is realised."

"Golden Circle's workforce also forms an integral part of Golden Circle's success and will benefit from opportunities that will become available as part of the Heinz group," he said.

Benefits to Golden Circle Shareholders

- All cash offer of \$1.65 per share
- A premium of 313% to Golden Circle's share price on 3 October 2008, being the trading date immediately prior to this announcement
- Heinz has indicated its desire to strengthen the relationship with Golden Circle's growers

Indicative timetable

The indicative timetable for events set out in this letter is as follows. It should be noted that the timing is for guidance only and may be influenced by a number of factors. Golden Circle will publicly announce any material changes to this timetable.

6 October 2008	Implementation Agreement signed
Late October early November 2008	Explanatory Booklet and Notice of Scheme Meeting sent to Shareholders
13 November 2008	Shareholder Information Meeting
Early to mid December 2008	Scheme Meeting for Shareholders, followed by Supreme Court of Queensland court hearing
Late December 2008	If approved, payment of \$1.65 cash per share

Implementation Agreement

Golden Circle and Heinz have entered into an Implementation Agreement under which Heinz will acquire all of the Golden Circle shares on issue by way of Scheme of Arrangement between Golden Circle and its Shareholders.

The Heinz Proposal is subject to Shareholder approval, regulatory approvals (including approval by the Foreign Investment Review Board), approval of the Supreme Court of Queensland and other conditions as set out in the Implementation Agreement. The key terms and conditions of the Scheme are summarised in an Attachment to this announcement.

Shareholder Information Meeting

A Shareholder information meeting in relation to the Heinz Proposal will be held on 13 November 2008 at The Events Centre, Caloundra commencing at 2pm and the Golden Circle Board encourages all Shareholders to attend this meeting. At this meeting, Golden Circle Shareholders will have an opportunity to further understand (including asking any questions relating to) the Heinz Proposal and to meet the Managing Director of Heinz, Mr Peter Widdows.

Advisors

Golden Circle is being advised by ABN AMRO Investment Bank. Heinz is being advised by UBS Investment Bank.

For further information contact:

Golden Circle:

Bruce Ruddy
Rowland
+61 7 3229 4499
(Golden Circle communications advisor)

Heinz:

Peter Brookes
Citadel
+61 407 911 389
(Heinz communications advisor)

SUMMARY OF IMPLEMENTATION AGREEMENT

Summary	<p>Golden Circle Limited (Golden Circle) and H.J. Heinz Company Australia Limited (Heinz) have entered into an Implementation Agreement (Implementation Agreement).</p> <p>The Implementation Agreement sets out the obligations of Golden Circle and Heinz in relation to a Scheme of Arrangement to be proposed to Golden Circle Shareholders. A copy of the Implementation Agreement will be set out in the Explanatory Booklet that is to be provided to Golden Circle Shareholders prior to the Scheme Meeting. A summary of some of the key terms of the Implementation Agreement are set out below.</p>
Conditions	<p>Implementation of the Scheme is subject to the satisfaction or waiver of a number of conditions precedent including the following:</p> <ul style="list-style-type: none"> • all regulatory approvals required to implement the Scheme are obtained including Foreign Investment Review Board approval; • no prohibitive orders or determinations prevent the implementation of the Scheme; • Golden Circle Shareholders approve the Scheme at the Scheme Meeting. The resolution for the Scheme must be passed by a majority in number of Golden Circle Shareholders present and voting (in person or by proxy) and whose votes represent at least 75% of the total votes cast at the meeting; • none of the Directors of Golden Circle change, qualify or withdraw their unanimous recommendation to Golden Circle Shareholders to vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert concluding that the Scheme is in the best interest of Golden Circle Shareholders; • the Scheme is approved by the Supreme Court of Queensland; • no change in the recommendation of the Golden Circle Board for Golden Circle Shareholders to accept the Heinz Proposal unless there is a Superior Proposal or if the Independent Expert concludes that the Scheme is not in their best interest; • no occurrence of a Material Adverse Change between the date of signing the Implementation Agreement and 8.00am on the Second Court Date; • no Golden Circle or Heinz Prescribed Occurrence occurs between the date of the Implementation Agreement and 8:00am on the Second Court Date; • the warranties given by Golden Circle and Heinz to each other in the Implementation Agreement are (and remain) true and correct; and • receipt of consent to the Scheme from GE Capital Asset Services and Trading Asia Pacific Pty Ltd being the financier to Golden Circle.
Material Adverse Change	<p>A material adverse change means a matter, event or circumstance including a change in any applicable law that occurs, is announced or becomes known to the Golden Circle Board (whether or not it becomes</p>

public) where that matter, event or circumstance:

- has, has had or could reasonably be expected to have, individually or when aggregated with all such matters, events or circumstances the effect of diminishing the net assets of the Golden Circle group as at 30 June 2008 as disclosed in the Golden Circle 2007/2008 Annual Report by an amount of \$16.5 million or more; or
- will have or could reasonably be expected to have, individually or when aggregated with all such matters, events or circumstances the result that the EBITDA of the Golden Circle Group for the financial year ending 30 June 2009 is reduced by 20% or more of the budgeted EBITDA for that period.

The occurrence of a Material Adverse Change does not include matters disclosed to Heinz as provided in the Implementation Agreement.

Golden Circle Prescribed Occurrences

Golden Circle Prescribed Occurrences include (among others and subject to various carve outs such as due to a requirement under the Scheme or pursuant to the Implementation Agreement) Golden Circle:

- increasing or decreasing its share capital in any way, including the issue of any dividends;
- acquiring or disposing of material assets;
- entering into contracts requiring material payments;
- materially altering terms of employment or paying termination or retention payments;
- making any changes to its Constitution;
- distributing profits by way of payment of a dividend or otherwise; and
- making any significant changes to accounting policies.

Termination

The Implementation Agreement may be terminated by either party at any time prior to 8.00am on the Second Court Date, by giving the other party written notice if:

- the other party is in material breach of its obligations under the Implementation Agreement and has not rectified that breach within five Business Days (or any shorter period ending at 5.00pm on the day before the Second Court Date) after it is given notice by the first party specifying that breach and requiring it to be rectified;
- at the Scheme Meeting, the Scheme is not approved by the necessary majorities of the Scheme Shareholders, except to the extent the Court is prepared to disregard the Headcount Test;
- a Superior Proposal is publicly announced and the Golden Circle Board publicly announces that the Superior Proposal is recommended by the Golden Circle Board;
- Heinz changes the structure of the Heinz Proposal from a scheme to a takeover, provided that the takeover bid is on terms at least as favourable as the Scheme;
- the Court has refused to make any order directing Golden Circle to convene the Scheme Meeting or approving the Scheme, provided that both parties have met and consulted in good faith and agreed that they

	<p>do not wish to proceed with the Scheme;</p> <ul style="list-style-type: none"> the conditions (as summarised above) are not satisfied or waived (if capable of being waived) by the required date; or the date the scheme becomes effective does not occur on or before the End Date.
Exclusivity	<p>Under the Implementation Agreement, Golden Circle and Heinz have agreed to the following exclusivity arrangements for the period commencing on the date of the Implementation Agreement and ending on the earliest of:</p> <ul style="list-style-type: none"> the End Date; the effective date of the Scheme; and the date the Implementation Agreement is terminated in accordance with its terms, <p>(Exclusivity Period).</p> <p>No talk</p> <p>Subject to the exception noted below, during the Exclusivity Period, Golden Circle must ensure that neither it nor any of its Representatives (including Anchorage Golden Circle Pty Ltd and certain of its related bodies corporate), except with the prior written consent of Heinz, enters into or participates in any negotiations, discussions, agreement, arrangement or understanding with any other person in relation to, or which may reasonably be expected to lead to, a Competing Proposal or potential Competing Proposal.</p> <p>No Shop</p> <p>During the Exclusivity Period, Golden Circle must not, and must ensure that its Representatives (including Anchorage Golden Circle Pty Ltd and certain of its related bodies corporate) do not, except with the prior written consent of Heinz, solicit, encourage or invite, directly or indirectly, any enquiries, discussions or proposals in relation to, or which may reasonably be expected to lead to, a Competing Proposal.</p> <p>Exception to No Talk</p> <p>Golden Circle may undertake any action that would otherwise be prohibited by the No Talk limb of the above exclusivity arrangements if it is in response to unsolicited proposals that may lead to a bona fide competing proposal where the Golden Circle Board is acting reasonably, in good faith, in order to satisfy what it considers to be its fiduciary and statutory duties and having received written legal advice that not responding to the proposal would be reasonably likely to constitute a breach of its fiduciary and statutory duties.</p> <p>Notification of approaches</p> <p>Golden Circle is obliged under the Implementation Agreement to promptly notify Heinz in writing of all material details of a Competing Proposal.</p>
Reimbursement fee	<p>In compensation for the costs incurred by Heinz in relation to the Proposal, Golden Circle agrees to pay to Heinz \$2,100,000 (exclusive of GST) (Break Fee) if any of the following circumstances arise:</p>

-
- Golden Circle is in material breach of this agreement or of a representation and warranty and, subject to a cure period, Heinz validly terminates the Implementation Agreement;
 - at any time prior to the Second Court Date, any Director of Golden Circle changes or withdraws his support or positive recommendation of the Scheme or makes a public statement indicating that he no longer supports the Scheme (**Change of Recommendation**) and Heinz validly terminates the Implementation Agreement, other than where the Change of Recommendation is because:
 - the required regulatory approvals are not obtained;
 - a prescribed occurrence occurs in relation to Heinz;
 - a warranty given by Heinz in the Implementation Agreement is not true and correct;
 - the Independent Expert opines that the Scheme is not in the best interests of Golden Circle Shareholders; or
 - Golden Circle is entitled to terminate the Implementation Agreement due to a material, un-rectified breach of the Implementation Agreement by Heinz;
 - a Superior Proposal is publicly announced which the Golden Circle Board has recommended to Golden Circle Shareholders and which remains current at the time (if any) that Heinz subsequently validly terminates the Implementation Agreement;
 - Anchorage Golden Circle Pty Ltd does not vote in favour of the Scheme in circumstances where Golden Circle has not publicly recommended a Superior Proposal, the Independent Expert has opined the Scheme is in the best interest of Golden Circle Shareholders and Golden Circle is not entitled to terminate the Implementation Agreement;

during the term of the Implementation Agreement or for a six month period commencing on the earlier of termination of the Implementation Agreement and the End Date, a Competing Proposal is announced, the Competing Proposal is a Superior Proposal (to the Heinz Proposal) and the proponent of that Competing Proposal:

- acquires a relevant interest in at least 50% of Golden Circle Shares where the Superior Proposal is (or becomes) free from any defeating conditions; or
 - acquires the whole or a substantial part of the Golden Circle Group's assets, business or property.
 - The Break Fee is not payable merely because the resolution submitted to the Scheme Meeting in respect of the Scheme is not approved by the required majorities, provided that Anchorage Golden Circle Pty Ltd votes in favour of the Scheme.
-

Key Definitions

Competing Proposal

A Competing Proposal is any proposal or possible transaction or arrangement (whether by way of takeover, share acquisition, Scheme of Arrangement, capital reconstruction, acquisition of main undertaking or otherwise) pursuant to which, if ultimately completed, a person whether alone or together with its associates (other than Heinz or a Related Body

	<p>Corporate of Heinz) would:</p> <ul style="list-style-type: none"> • directly or indirectly, acquire an interest in, a relevant interest in or become the holder of: • more than 20% of the shares in Golden Circle; or • the whole or a substantial part or a material part of the business or property of Golden Circle or the Golden Circle Group; • acquire control of Golden Circle, within the meaning of section 50AA of the Corporations Act; or • otherwise acquire or merge with Golden Circle (including by a reverse takeover bid, reverse Scheme of Arrangement or dual listed company structure).
End Date	<p>The End Date means</p> <ul style="list-style-type: none"> • 11.59pm on 31 January 2009; or • 11.59pm on 27 February 2009 if prior to 7.00pm Brisbane time on 30 January 2009 Heinz gives written notice to Golden Circle extending the End Date to 11.59pm on 27 February 2009; or • such other date and time agreed in writing between Heinz and Golden Circle.
Superior Proposal	<p>A Superior Proposal is a bona fide Competing Proposal which:</p> <ul style="list-style-type: none"> • in the determination of the Golden Circle Board acting in good faith is reasonably capable of being financed and completed within a reasonable time, taking into account the nature of the Competing Proposal and the person or persons making it; and • in the determination of the Golden Circle Board acting in good faith and in order to satisfy what the Golden Circle Board reasonably considers to be its fiduciary or statutory duties, would, if completed substantially in accordance with its terms, be likely to result in a transaction more favourable to the Golden Circle Shareholders than the Scheme or any Heinz counterproposal (as applicable).
