



## MARKET ANNOUNCEMENT

29 October 2008

### Highlights

- Explanatory Booklet to be despatched to Golden Circle shareholders on 31 October 2008
- Independent Expert concludes scheme is in best interest of Golden Circle Shareholders
- Independent Expert assesses value of Golden Circle shares in the range of \$1.15 to \$1.33, compared with Heinz Proposal offer price of \$1.65 cash per share
- Scheme meeting for Golden Circle Shareholders to vote on the Heinz Proposal will be held on 1 December 2008
- Shareholder information meeting on the Heinz Proposal to be held on 13 November 2008.

### Heinz Proposal – ASIC registration of Explanatory Booklet

Golden Circle Limited (**Golden Circle**) today provides a further update in relation to the proposal for H.J. Heinz Company Australia Limited to acquire all of the shares in Golden Circle by way of a Scheme of Arrangement (**Heinz Proposal**).

On 28 October 2008, the Australian Securities and Investments Commission registered a copy of the Explanatory Booklet in relation to the proposed Scheme of Arrangement between Golden Circle and its shareholders to consider and vote on the Heinz Proposal. The Explanatory Booklet, including an Independent Expert's Report prepared by Ernst & Young Transaction Advisory Services Limited, will be despatched to Golden Circle shareholders on 31 October 2008. A copy of the Explanatory Booklet accompanies this announcement.

The Independent Expert has concluded the Scheme is in the best interest of Golden Circle Shareholders and has assessed Golden Circle's value in the range of \$1.15 and \$1.33 per share.

Golden Circle Directors unanimously recommend Golden Circle Shareholders vote in favour of the Heinz Proposal in the absence of a superior proposal. Golden Circle's Directors intend to vote in favour of the Heinz Proposal in respect of all Golden Circle shares held or controlled by them.

The Explanatory Booklet sets out the advantages of Heinz's \$1.65 cash per share offer to Golden Circle Shareholders including:

- a 313% premium on Golden Circle's share price of \$0.40 on 3 October 2008, being the last NSX trading day prior to the announcement of the Heinz Proposal; and
- certainty of timing and value of the cash consideration paid by Heinz.

Golden Circle Chairman Phil Cave has stated that the Heinz business represents a good cultural fit with Golden Circle.

“Both businesses have a long standing heritage of providing high quality affordable food and beverages to Australian families,” he said.

He said Heinz had indicated its desire to maintain contracts between Golden Circle and its growers, who would benefit from potential increases in demand over time as Heinz grew the Golden Circle business.

“Further, Heinz has noted the Golden Circle workforce will benefit from opportunities that will become available as part of the Heinz group,” Mr Cave said.

### **Scheme Meeting**

The Explanatory Booklet contains a notice of the meeting of Golden Circle shareholders to consider and vote on the scheme, as well as details on how to vote at the scheme meeting (including by proxy, attorney or representative). The scheme meeting will be held at 2.00pm (Brisbane time) on 1 December 2008 at The Events Centre, 20 Minchinton Street, Caloundra, Queensland.

### **Shareholder Information Meeting**

Your Directors encourage all Golden Circle shareholders to attend the information meeting on the Heinz Proposal to be held at The Events Centre, 20 Minchinton Street, Caloundra, Queensland on 13 November 2008 commencing at 2.00pm (Brisbane time).

This meeting will provide Golden Circle shareholders with an opportunity to raise any queries about the Heinz Proposal and also meet Mr Peter Widdows, the Managing Director of Heinz.

### **For Shareholder information on the Heinz Proposal, please contact:**

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### **For media enquiries contact:**

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# Golden Circle Limited Explanatory Booklet

(ACN 054 355 618)

**YOUR DIRECTORS UNANIMOUSLY  
RECOMMEND THAT YOU VOTE  
IN FAVOUR OF THE HEINZ  
PROPOSAL IN THE ABSENCE OF A  
SUPERIOR PROPOSAL.**

**YOUR VOTE IS IMPORTANT IN  
DETERMINING WHETHER THE HEINZ  
PROPOSAL PROCEEDS.**

A Notice of Scheme Meeting is included as Part C, Section 6 to this Explanatory Booklet. A proxy form for the meeting accompanies this Explanatory Booklet. The Golden Circle Scheme Meeting will be held at 2.00pm on 1 December 2008 at The Events Centre, 20 Minchinton Street, Caloundra, Queensland.

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR URGENT ATTENTION.**

If you are in any doubt as to how to deal with this Explanatory Booklet, please consult your legal, financial, taxation or other professional adviser immediately. A shareholder information meeting in relation to the Heinz Proposal will be held on 13 November 2008 at The Events Centre, 20 Minchinton Street, Caloundra, Queensland commencing at 2.00pm. If you have recently sold all of your Golden Circle Shares, please disregard all enclosed documents.



Corporate Legal Adviser to Golden Circle

Financial Adviser to Golden Circle

## Overview of this Explanatory Booklet

### What is this Explanatory Booklet for?

This Explanatory Booklet has been sent to you to help you understand the terms of the Scheme under which (if approved) Heinz will acquire all of the issued shares in Golden Circle.

If the Scheme is approved by Golden Circle Shareholders and if all other conditions are satisfied, you will receive, on or before 30 December 2008, \$1.65 cash for each Golden Circle Share you hold on the Record Date.

This Explanatory Booklet includes information relevant to the decision of Golden Circle Shareholders whether to approve the Scheme, as well as other information that, by law, Golden Circle must give Golden Circle Shareholders concerning the Scheme.

### Why should you vote?

As a Golden Circle Shareholder, you have a say in whether Heinz will acquire all of the issued shares in Golden Circle – this is your opportunity to play a role in deciding the future of the business in which you have a stake.

## What you should do next

### Read this Explanatory Booklet and consider the Scheme

You should read and carefully consider the information included in this Explanatory Booklet to help you make an informed decision.

Answers to some frequently asked questions are included in Part A, Section 4. If you have any doubts as to what action you should take, you should seek financial, tax or other professional advice before making any decision in relation to your Golden Circle Shares and how to vote at the Scheme Meeting.

### Vote on the Scheme

As a Golden Circle Shareholder, it is your right to vote on whether the Scheme should proceed.

You can vote:

- by proxy, using the enclosed proxy form;
- by online proxy, logging on to Golden Circle's online proxy website at [www.registries.com.au/vote/gco](http://www.registries.com.au/vote/gco) by no later than 2.00pm (Brisbane time) on 29 November 2008; or
- in person by coming to the Scheme Meeting to be held at 2.00pm (Brisbane time) on 1 December 2008 at The Events Centre, 20 Minchinton Street, Caloundra Queensland.

If you vote by proxy, your proxy form must be received by the Golden Circle Share Registry (whether in person, by internet, by mail or by fax) by 2.00pm (Brisbane time) on 29 November 2008, for your vote to be counted. For further details, please refer to Part A, Section 3 "Meeting details and how to vote".

### IS THE SCHEME IN THE BEST INTERESTS OF GOLDEN CIRCLE SHAREHOLDERS?

Your Directors UNANIMOUSLY RECOMMEND that you vote in favour of the Scheme. Your Directors intend to vote all Golden Circle Shares they hold or in which they otherwise have a relevant interest IN FAVOUR of the Scheme, in the absence of a Superior Proposal.

The Independent Expert has concluded that the Scheme is in the BEST INTEREST of Golden Circle Shareholders, in the absence of a Superior Proposal. The Independent Expert's Report is also included in this Explanatory Booklet for your consideration.



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## For further information

The Directors of Golden Circle encourage you to attend a shareholder information meeting on 13 November 2008 at The Events Centre, 20 Minchinton Street, Caloundra, Queensland, commencing at 2.00pm.

# Letter from the Chairman of Golden Circle



Phil Cave, Chairman

31 October 2008

Dear Golden Circle Shareholder,

On 6 October 2008, Golden Circle Limited (**Golden Circle**) announced that it had signed an agreement with H.J. Heinz Company Australia Limited (**Heinz**) under which Heinz would acquire all of the shares in Golden Circle, subject to your approval as Golden Circle Shareholders and certain other conditions including approval by the Supreme Court of Queensland.

The proposed acquisition will be implemented by a Scheme of Arrangement between Golden Circle and its Shareholders under which all Golden Circle Shares will be transferred to Heinz for \$1.65 cash per Share (**Scheme** and **Scheme Consideration** respectively). This values Golden Circle at approximately \$288 million.

**Your Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal. Your Directors intend to vote all Golden Circle Shares they hold or in which they otherwise have a relevant interest in favour of the Scheme, in the absence of a Superior Proposal.**

Further, Golden Circle's major Shareholder, Anchorage, intends to vote their shares in favour of the Scheme, in the absence of a Superior Proposal.

If all required approvals and conditions for the Scheme are satisfied, you will receive **\$1.65 cash for each Golden Circle Share** you hold on the Record Date set to determine entitlements to participate in the Scheme. This represents a significant premium to the price at which Golden Circle Shares traded in the period since listing on the NSX in March 2008 up to 3 October 2008 (being the last NSX trading day prior to the announcement of the Heinz proposal).

It is anticipated the Scheme can become effective by 9 December 2008 in which case Heinz will provide payment to Golden Circle Shareholders for their Shares prior to 30 December 2008.

The Scheme is referred to in this Explanatory Booklet as the **Heinz Proposal** or the **Proposal**.

The Heinz Proposal was considered relative to the historic financial performance of Golden Circle as well as the growth prospects and future performance potential of Golden Circle from the ongoing implementation of the rationalisation plan announced by Golden Circle in May 2007.

The Directors have assessed the future financial performance of Golden Circle against the attractiveness and certainty of Heinz's cash offer and have concluded that the value of the Heinz Proposal is sufficiently high to warrant their unanimous recommendation.

In particular, the \$1.65 cash that Golden Circle Shareholders will receive for each Golden Circle Share if the Scheme becomes Effective represents a premium of:

- 313% of Golden Circle's closing Share price of \$0.40 on 3 October 2008, being the last trading day prior to the announcement of the Heinz Proposal; and
- 273% to the rounded volume weighted averaged price of \$0.44 for Golden Circle Shares sold on the NSX from and including 12 September 2008 (being the date on which Golden Circle released its results for the 18 months ended 30 June 2008).

## Heinz overview and objectives

Heinz has been operating in Australia since 1935, employing over 600 people across Australia. The Heinz product portfolio spans tomato sauces, canned meat, baked beans, jams, toppings, infant nutrition, soups, tuna and frozen foods. Heinz's brand portfolio includes Heinz, Greenseas, Weight Watchers, Hamper, Cottee's (jelly and jams only) and Rose (jams only).

The Heinz business represents a good cultural fit with Golden Circle. Both businesses have a long standing heritage for providing high quality, affordable food and beverages to Australian families.

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 Golden Circle business.

## Letter from the Chairman of Golden Circle

Further, Heinz has noted the Golden Circle workforce will benefit from opportunities that will become available as part of the Heinz group.

### The Scheme process and Scheme Meeting

The proposed acquisition of Golden Circle by Heinz will be implemented through a Scheme of Arrangement, under which every Golden Circle Shareholder will have the opportunity to vote on the Proposal at a Scheme Meeting, either in person or by completing the relevant Proxy Form enclosed with this Explanatory Booklet.

The Golden Circle Scheme Meeting will be held at 2.00pm on 1 December 2008 at The Events Centre, 20 Minchinton Street, Caloundra, Queensland. If the Scheme is not approved by the requisite majorities of Golden Circle Shareholders at this meeting, the Heinz Proposal will not proceed.

The Scheme is also subject to a number of other conditions which are outlined in Part B, Section 1.

### Independent Expert

Ernst & Young Transaction Advisory Services Limited has acted as the Independent Expert to assess the merits of the Scheme on behalf of Golden Circle Shareholders.

The Independent Expert has valued Golden Circle in the range of \$1.15 to \$1.33 per Share. It has concluded that the Scheme Consideration of \$1.65 per Share is in the best interest of Golden Circle Shareholders, in the absence of a Superior Proposal.

The Independent Expert's Report is set out in Part C, Section 1 of this Explanatory Booklet and should be read in full as part of your assessment of the Scheme.

### Additional Information

Please read this Explanatory Booklet carefully as it contains important information in relation to the Scheme and will assist you in making an informed decision on how to vote at the Scheme Meeting.

It is important you cast your vote, either by attending the Scheme Meeting or by completing the Proxy Form enclosed with this Explanatory Booklet. Your vote at the Scheme Meeting is important in determining whether or not the proposal by Heinz to acquire Golden Circle proceeds.

### Shareholder Information Meeting

A shareholder information meeting in relation to the Heinz Proposal will be held on 13 November 2008 at The Events Centre, 20 Minchinton Street, Caloundra, Queensland commencing at 2.00pm and I encourage you to attend this meeting.

On behalf of the Board of Golden Circle, I would like to take this opportunity to thank you for your support of Golden Circle.

Yours sincerely



**Phillip Cave**  
Chairman

# Important Notices

## General

You should read this Explanatory Booklet in its entirety before making a decision on how to vote on the resolution to be considered at the Scheme Meeting. The notice convening the Scheme Meeting is contained in Part C, Section 6 of this Explanatory Booklet. A proxy form for the meeting is enclosed with this Explanatory Booklet.

## Defined terms

Capitalised terms in this Explanatory Booklet are defined either in the Glossary in Part D of this Explanatory Booklet or where the relevant terms is first used.

## Purposes of this Explanatory Booklet

The purposes of this Explanatory Booklet are to:

- (a) explain the terms and effect of the Scheme to Golden Circle Shareholders;
- (b) explain the manner in which the Scheme will be considered and, if approved, implemented;
- (c) state any material interests of the Directors, whether as directors, members or creditors of Golden Circle or otherwise and the effect on those interests of the Scheme as far as that effect is different from the effect on similar interests of other persons; and
- (d) provide such information as is prescribed by the Corporations Act and the regulations to that Act or as is otherwise material to the decision of Golden Circle Shareholders whether to approve the Scheme.

## ASIC, NSX and the Court

A copy of this Explanatory Booklet has been provided to ASIC for the purpose of section 411(2) of the Corporations Act and registered by ASIC for the purpose of section 412(6) of the Corporations Act.

ASIC has examined a copy of this Explanatory Booklet. ASIC has been requested to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. If ASIC provides that statement, it will be produced to the Court at the time of the Court hearing to approve the Scheme. The Scheme has not been proposed by Golden Circle for the purpose of enabling any person to avoid the operation of any of the provisions of Chapter 6 of the Corporations Act. Neither ASIC nor any of its officers takes any responsibility for the contents of this Explanatory Booklet.

The order of the Court directing the Scheme Meeting to be convened is not and should not be treated as an endorsement of, or any other expression of opinion by the Court on, the Scheme.

## Input from other parties

The Heinz Information contained in this Explanatory Booklet has been prepared by and is the responsibility of Heinz. Golden Circle does not assume any responsibility for the accuracy or completeness of the Heinz Information.

PricewaterhouseCoopers has prepared the general outline of taxation implications of the Heinz Proposal in Part C, Section 2 of this Explanatory Booklet in accordance with its engagement letter and terms of business. PricewaterhouseCoopers does not assume responsibility for any other Section or part of this Explanatory Booklet.

Ernst & Young Transaction Advisory Services Limited has prepared the Independent Expert's Report in relation to the Heinz Proposal in Part C, Section 1 of this Explanatory Booklet and takes responsibility for that section.

Other than in respect of the information identified above, the information contained in the remainder of this Explanatory Booklet has been prepared by Golden Circle and its advisers and is the responsibility of Golden Circle. Heinz does not assume responsibility for the accuracy or completeness of any part of this Explanatory Booklet other than the Heinz Information.

## Investment decisions

This Explanatory Booklet does not take into account the investment objectives, financial situation or particular needs of any Golden Circle Shareholder or any other person. This Explanatory Booklet should not be relied on as the sole basis for any investment decision in relation to Golden Circle Shares. Independent financial and taxation advice should be sought before making any decision in relation to the Heinz Proposal.

## Forward looking statements

Certain statements in this Explanatory Booklet relate to the future. Such statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of Golden Circle to be materially different from expected future results, performance or achievements expressed or implied by such statements. Such risks, uncertainties and other important factors include among other things, general economic conditions, specific market conditions, exchange rates, interest rates and regulatory changes. These statements reflect the

expectations of relevant parties' views only as of the date of this Explanatory Booklet. Each of Golden Circle and Heinz has no obligation to disseminate after the date of this Explanatory Booklet any updates or revisions to any such statements to reflect any change in expectations in relation to those statements or any change in events, conditions or circumstances on which any of those statements is based unless, in the case of Golden Circle, it is required to do so pursuant to its continuous disclosure obligations under the Corporations Act and the Listing Rules, or in the case of both Golden Circle and Heinz, by an order of the Court.

## Privacy statement

Golden Circle collects personal information about its shareholders' holdings of Golden Circle Shares in accordance with the Corporations Act. Golden Circle will share that personal information with its advisors and service providers and with Heinz and its advisors and service providers in connection with the Heinz Proposal. Shareholders can contact the Golden Circle Share Registry, Registries Limited, on 1300 737 760 if they have questions about their personal information.

## No internet site is part of this Explanatory Booklet

Golden Circle and Heinz maintain internet sites at [www.goldencircle.com.au](http://www.goldencircle.com.au) and [www.heinz.com.au](http://www.heinz.com.au) respectively. Any references in this Explanatory Booklet to either internet site are textual references for information only and neither forms part of this Explanatory Booklet.

## Important Dates and Times

| Scheduled date and time                                   | Event   |
|---|---|
| <b>13 November 2008<br/>at 2.00pm</b>                     | Golden Circle Shareholder Information Meeting to be held at The Events Centre, 20 Minchinton Street, Caloundra, Queensland.                                       |
| <b>29 November 2008<br/>at 2.00pm</b>                     | Last date and time for proxy forms for the Scheme Meeting to be received by the Golden Circle Share Registry (whether in person, by internet, by mail or by fax). |
| <b>29 November 2008<br/>at 7.00pm (Sydney time)</b>       | Date and time for determining eligibility to vote at Scheme Meeting.  |
| <b>1 December 2008<br/>at 2.00pm<br/>(Scheme Meeting)</b> | Scheme Meeting to be held at The Events Centre, 20 Minchinton Street, Caloundra, Queensland.  |

The timetable below is indicative only. Golden Circle has the right to vary any or all of these dates and times and will provide reasonable notice of any such variation. Certain dates and times are conditional on the approval of the Scheme by Golden Circle Shareholders and by the Court.

|  |   |
|--|---|
| <b>8 December 2008</b>                                   | Court hearing to obtain orders approving the Scheme.                |
| <b>9 December 2008<br/>(Effective Date)</b>              | Lodgement by Golden Circle of the Court order with ASIC.            |
| <b>9 December 2008<br/>at 4.00pm</b>                     | Suspension of trading in Golden Circle Shares on the NSX.           |
| <b>16 December 2008<br/>at 5.00pm<br/>(Record Date)</b>  | Date and time for determining entitlements to Scheme Consideration. |
| <b>19 December 2008<br/>(Implementation Date)</b>        | Transfer of Golden Circle Shares to Heinz.                          |
| <b>Between 19 December 2008<br/>and 30 December 2008</b> | Provision of Scheme Consideration to Golden Circle Shareholders.    |

All references to time in this Explanatory Booklet are references to Brisbane time unless otherwise stated.

The date of this Explanatory Booklet is 31 October 2008.

### Enquiries regarding the Heinz Proposal

Your Directors encourage all Golden Circle Shareholders to attend the information meeting on the Heinz Proposal to be held at The Events Centre, 20 Minchinton Street, Caloundra, Queensland on 13 November 2008 commencing at 2.00pm.

Your Directors recommend that you consult your legal, financial, taxation or other professional adviser concerning the impact your decision may have on your own circumstances.



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# Part A

## Overview of the Heinz Proposal

# Part A

## Section 1

### Scheme highlights

|  |  |
|--|--|
| Scheme consideration                     | If all approvals and conditions for the Scheme are satisfied or waived (as applicable), Golden Circle Shareholders will receive \$1.65 cash from Heinz for each Golden Circle Share they hold at the Record Date.  |
| Directors' recommendation and intentions | <b>Your Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal.</b><br>Your Directors intend to vote all Golden Circle Shares they hold or in which they otherwise have a relevant interest in favour of the Scheme, in the absence of a Superior Proposal.  |
| Endorsement of major shareholder         | Golden Circle's major Shareholder, Anchorage, has publicly stated that it intends to vote its 35% shareholding in favour of the Scheme, in the absence of a Superior Proposal.   |
| Independent Expert's conclusion          | The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interest of Golden Circle Shareholders, in the absence of a Superior Proposal.   |
| Value realisation                        | The Scheme offers timely and certain value realisation.  |
| Substantial premium to share price       | The Scheme Consideration represents a premium of 273% to the VWAP since 12 September 2008, the day on which Golden Circle released its 2007/2008 results and updated the market on its restructuring plan and a 313% premium to Golden Circle's share price of \$0.40 on 3 October 2008, being the last trading day prior to the announcement of the Heinz Proposal. |
| Share price                              | Golden Circle Shares may continue to trade at the price they traded at before the announcement of the Heinz Proposal if the Scheme is not implemented.   |
| No Superior Proposal                     | Since announcement of the Proposal on 6 October 2008, no Superior Proposal has emerged.  |
| No transfer costs                        | No brokerage will be payable on the transfer of your Golden Circle Shares pursuant to the Scheme.  |

Your Directors **unanimously recommend** that you vote **in favour of the Heinz Proposal**, in the absence of a Superior Proposal

#### Reasons to vote in favour of the Heinz Proposal

- ✓ **Your Directors' recommendation:** Your Directors unanimously recommend that you vote in favour of the Heinz Proposal, in the absence of a Superior Proposal. Further, your Directors intend to vote all Golden Circle Shares they hold or in which they otherwise have a relevant interest in favour of this Proposal, in the absence of a Superior Proposal.
- ✓ **Endorsement of major Shareholder:** Golden Circle's major Shareholder, Anchorage, has publicly stated that it intends to vote its 35% shareholding in favour of the Scheme, in the absence of a Superior Proposal.
- ✓ **Certainty of cash:** There is timing and value certainty around the \$1.65 cash per Share which you will receive if the Heinz Proposal proceeds.

In contrast, if this Proposal does not proceed, the amount which you will be able to realise for your Golden Circle Shares will be uncertain.
- ✓ **Substantial premium to pre-Proposal share price:** The \$1.65 cash per Share offered under the Heinz Proposal represents:
  - a 313% premium to Golden Circle's share price of \$0.40 on 3 October 2008, being the last trading day prior to the announcement of the Heinz Proposal; and
  - a premium of 273% to Golden Circle's share price of \$0.44 on 12 September 2008, being the date of release of Golden Circle's annual results for the 18 months ended 30 June 2008.
- ✓ **Independent Expert's conclusion:** The Independent Expert has valued Golden Circle in the range of \$1.15 to \$1.33 per Share and has concluded that, in the absence of a Superior Proposal, the Heinz Proposal is in the best interest of Golden Circle Shareholders.

- ✓ **No Superior Proposal:** Since Golden Circle announced the Heinz Proposal on 6 October 2008, no Superior Proposal to acquire Golden Circle has emerged.
- ✓ **Share price:** Golden Circle Shares may continue to trade at the price they traded at before the announcement of the Heinz Proposal if the Heinz Proposal is not approved and if no Superior Proposal emerges.
- ✓ **No transfer costs:** No brokerage will be payable on the transfer of your Golden Circle Shares under this Proposal.

#### Reasons to vote against the Heinz Proposal

- ✗ **Loss of continuing investment in Golden Circle's business:** If the Heinz Proposal is approved and implemented, you will cease to hold an interest in Golden Circle and will no longer have the rights of a shareholder. In particular, you will forego any future dividends from Golden Circle, the opportunity to benefit from any increases in its share price, and your voting rights as shareholder.

In assessing these matters, it is important to note that the future financial prospects of Golden Circle are uncertain. Your Directors have prepared a budget for the year ending 30 June 2009 which aims to achieve an EBITDA of \$37.2 million. Within a tolerance range of 20%, your Directors believe that this level of growth of earnings is achievable.

Due to a number of factors outlined in Section 6.2.1 of the Independent Expert Report, the Independent Expert has mainly had regard to the actual reported earnings for the year ended 30 June 2008 in developing an appropriate estimate of normalised EBITDA. It is also important to note that, even if this growth is achieved, it does not follow that Heinz or any other party would be willing to offer more than \$1.65 for each Golden Circle Share.

# Part A

## Section 2

### Reasons to vote for or against the Heinz Proposal

- × **Loss of influence:** If the Heinz Proposal is approved and implemented, then you will cease to have the right to influence the future direction of Golden Circle through your voting rights as shareholder. Heinz will have the right to determine who is appointed to the Board of Golden Circle and will have the right to determine the future direction of the company. It is possible that there will be no growers on the Golden Circle Board.
- × **Taxation consequences:** If the Heinz Proposal is approved and implemented, it will potentially result in taxation consequences (potentially including capital gains tax) which will arise earlier than may otherwise have been the case.
- × **A Superior Proposal could potentially emerge:** It is possible that a more attractive proposal for Golden Circle Shareholders could materialise in the future, e.g. a takeover bid. However, as at the date of this Explanatory Booklet, your Directors have not received or become aware of any alternative proposal and have no basis for believing that an alternative proposal will be received.

**You should read this Explanatory Booklet in full before making any decision on the Heinz Proposal. In particular, you should refer to Part B, Section 2 for guidance on the expected advantages, possible disadvantages and other considerations in respect of the Heinz Proposal. This Explanatory Booklet does not take into account the financial situation, investment objectives and particular needs of any Golden Circle Shareholder. You should consult your legal, financial, taxation or other professional adviser concerning the impact your decision may have on your own circumstances.**



#### Summary of how to vote

##### (a) The Scheme Meeting/Voting entitlements

The Scheme Meeting will be held at The Events Centre, 20 Minchinton Street, Caloundra, Queensland, on 1 December 2008, commencing at 2.00pm Brisbane time.

The notice convening the Scheme Meeting is contained in Part C, Section 6 of this Explanatory Booklet. Your vote at this meeting is important. If you are registered as a Golden Circle Shareholder by the Golden Circle Share Registry at the Voting Entitlement Time (7.00pm Sydney time, 29 November 2008), you will be entitled to vote at the Scheme Meeting.

Voting at this meeting will be conducted by poll.

##### (b) Voting in person

Golden Circle Shareholders wishing to vote in person should attend the Scheme Meeting on 1 December 2008. All persons entitled to vote will be required to register. Please arrive at the venue 30 minutes prior to the time designated for the commencement of the Scheme Meeting (2.00pm Brisbane time), if possible, so that your shareholding may be checked against the Golden Circle Share Register and attendance noted. Attorneys (see also paragraph (d) below) should bring with them the original or a certified copy of the power of attorney under which they have been authorised to attend and vote at the meeting.

##### (c) Voting by proxy

Golden Circle Shareholders wishing to vote by proxy at the Scheme Meeting must complete and sign the personalised proxy form which is enclosed with this Explanatory Booklet. A person appointed as a proxy may be an individual or a body corporate. Completed proxy forms must be delivered to Golden Circle by 2.00pm (Brisbane time) on 29 November 2008, in any of the following ways:

- **By post** in the enclosed reply paid envelope provided to the Golden Circle Share Registry:

Registries Limited  
GPO Box 3993  
Sydney NSW 2001

- **By internet**, by logging on to Golden Circle's online proxy website at [www.registries.com.au/vote/gco](http://www.registries.com.au/vote/gco) by no later than 2.00pm (Brisbane time) on 29 November 2008

- **By hand** delivery to the Golden Circle Share Registry at:

Registries Limited  
Level 7, 207 Kent Street  
Sydney NSW 2000

- **By fax** to the Golden Circle Share Registry on 1300 653 459

##### (d) Voting by attorney

If a Golden Circle Shareholder executes or proposes to execute any document, or do any act, by or through an attorney which is relevant to their shareholding in Golden Circle, that Golden Circle Shareholder must deliver the instrument appointing the attorney to the Golden Circle Share Registry for notation.

Golden Circle Shareholders wishing to vote by attorney at the Scheme Meeting must, if they have not already presented an appropriate power of attorney to Golden Circle for notation, deliver to the Golden Circle Share Registry (at the address or facsimile number specified in this section) the original instrument appointing the attorney or a certified copy of it by 2.00pm (Brisbane time) on 29 November 2008.

##### (e) Voting by corporate representative

To vote in person at the Scheme Meeting, a Golden Circle Shareholder or proxy which is a body corporate may appoint an individual to act as its representative.

To vote by corporate representative at the Scheme Meeting, a corporate Golden Circle Shareholder or proxy should obtain an 'Appointment of Corporate Representative' form from the Golden Circle Share Registry, and complete and sign the form in accordance with the instructions on it. The

# Part A

## Section 3

### Meeting details and how to vote

appointment form should be lodged at the registration desk on the day of the meeting.

#### (f) Further information

Please refer to the Notice of Scheme Meeting in Part C, Section 6 of this Explanatory Booklet for further information on voting procedures and details of the resolution to be voted on at the meeting.

#### What to do next

#### (a) Read the remainder of this Explanatory Booklet

You should read and consider the remainder of this Explanatory Booklet in full before making any decision on the Heinz Proposal.

#### (b) Consider your options

Golden Circle Shareholders should refer to Part B, Section 2 of this Explanatory Booklet for further guidance on the expected advantages and possible disadvantages of the Heinz Proposal. However, this Explanatory Booklet does not take into account the financial situation, investment objectives and particular needs of any Golden Circle Shareholder.

You may also wish to consult your legal, financial, taxation or other professional adviser.

#### (c) Attend the Shareholder Information Meeting

Your Directors encourage all Golden Circle Shareholders to attend the information meeting on the Heinz Proposal to be held at The Events Centre, 20 Minchinton Street, Caloundra, Queensland on 13 November 2008 commencing at 2.00pm.

This meeting will provide Golden Circle Shareholders with an opportunity to raise any queries about the Heinz Proposal and also meet Mr Peter Widdows, the Managing Director of Heinz.

#### (d) Vote at the Scheme Meeting

Your Directors urge all Golden Circle Shareholders to vote on the Heinz Proposal at the Scheme Meeting. The Heinz Proposal affects your shareholding and your vote at this meeting is important in determining whether the Heinz Proposal proceeds.

Your Directors encourage all Golden Circle Shareholders to attend and vote in favour of the Scheme at the Scheme Meeting to be held at The Events Centre, 20 Minchinton Street, Caloundra, Queensland on 1 December 2008 commencing at 2.00pm.

| Question   | Answer  |
|--|---|
| What is the Scheme?                              | The Scheme is a legal mechanism under which Golden Circle is asking Shareholders to consider and vote on a proposal to transfer all of their Shares to Heinz in exchange for Heinz paying \$1.65 cash per Share. The Scheme is referred to in this Explanatory Booklet as the <b>Heinz Proposal</b> or <b>Proposal</b> .  |
| What will I receive for my Golden Circle Shares? | If all approvals and conditions for the Heinz Proposal are satisfied or waived (as applicable) and if you are registered as a Golden Circle Shareholder as at the Record Date (currently scheduled to be 5.00pm on 16 December 2008), you will receive \$1.65 cash for each Golden Circle Share you hold at that date.  |
| When will I be paid for my Golden Circle Shares? | <p>If all approvals and conditions for the Heinz Proposal are satisfied or waived (as applicable), you will receive payment within five Business Days of the Implementation Date.</p> <p>On the current indicative timetable, this means that you should receive payment between 19 December 2008 and 30 December 2008.</p>   |
| What do the Directors recommend?                 | <p>Your Directors unanimously recommend that, in the absence of a Superior Proposal, Golden Circle Shareholders vote in favour of the Scheme.</p> <p>In the absence of a Superior Proposal, your Directors unanimously intend to vote all of the Golden Circle Shares held by them, or in which they otherwise have a relevant interest, in favour of the Scheme.</p>   |
| What does the Independent Expert say?            | Ernst & Young Transaction Advisory Services Limited was appointed by the Directors to undertake an independent assessment of the value of the Heinz Proposal. Ernst & Young Transaction Advisory Services Limited has valued Golden Circle in the range of \$1.15 to \$1.33 per Share and has concluded that, in the absence of a Superior Proposal, the Heinz Proposal is in the best interest of Golden Circle Shareholders.  |
| Is this a takeover offer?                        | <p>The Heinz Proposal is not a takeover offer, it is a Scheme of Arrangement. However, if the Scheme is approved by the required majorities of Golden Circle Shareholders and by the Court and if all of the other conditions and approvals are satisfied or waived (as applicable), the outcome will be similar to a successful 100% takeover bid in that:</p> <ul style="list-style-type: none"> <li>• all of the Golden Circle Shares will be transferred to Heinz; and</li> <li>• Golden Circle Shareholders will receive \$1.65 cash for each Golden Circle Share registered in their name as at the Record Date.</li> </ul> |

# Part A

## Section 4

### Frequently asked questions

| Question  | Answer   |
|---|--|
| What will be the effect of the Heinz Proposal?      | <p>If the Scheme becomes Effective:</p> <ul style="list-style-type: none"><li>• you will transfer all of your Golden Circle Shares to Heinz so that Golden Circle becomes a wholly owned subsidiary of Heinz;</li><li>• in exchange for the transfer of your Golden Circle Shares to Heinz, you will receive \$1.65 cash for each Golden Circle Share registered in your name as at the Record Date; and</li><li>• Golden Circle will be delisted from the NSX.</li></ul>  |
| How will the Heinz Proposal be implemented?         | <p>The Heinz Proposal will be implemented through the Scheme of Arrangement.</p> <p>If all of the approvals and conditions for the Scheme are satisfied or waived (as applicable), the Scheme will constitute a binding arrangement between Golden Circle and each Scheme Shareholder to undertake the steps required to:</p> <ul style="list-style-type: none"><li>• transfer all of their Golden Circle Shares to Heinz; and</li><li>• otherwise give effect to the Heinz Proposal.</li></ul> <p>If approvals and conditions for the Scheme are satisfied or waived (as applicable), you will be bound by the Scheme whether or not you vote at the Scheme Meeting and even if you vote against the Scheme.</p>  |
| What happens if the Heinz Proposal is not approved? | <p>If the Heinz Proposal is not approved and no Superior Proposal emerges:</p> <ul style="list-style-type: none"><li>• you will not receive the Scheme Consideration;</li><li>• Golden Circle Shares may continue to trade at the price they traded at before the announcement of the Heinz Proposal;</li><li>• you will retain your current investment in Golden Circle Shares and continue to be exposed to the benefits and risks presently associated with this investment. These risks include general risks of holding shares and risks that are specific to Golden Circle's business;</li><li>• the expected advantages of the Heinz Proposal, as outlined in Part B, Section 2 of this Explanatory Booklet, will not be realised. However, some of the possible disadvantages and risks of the Heinz Proposal identified in Part B, Section 2 will not arise; and</li><li>• Golden Circle will have incurred substantial costs and expended management time and resources.</li></ul> |

#### Question

If I wish to support the Heinz Proposal, what should I do?

#### Answer

If you are a Golden Circle Shareholder, you should vote in favour of the Scheme at the Scheme Meeting.

Golden Circle Shareholders who are unable or unwilling to attend the meeting to be held on 1 December 2008 may vote at the meeting by proxy, attorney, or in the case of corporate shareholders or their proxies, a natural person representative.

See Part A, Section 3 of this Explanatory Booklet for a summary on how to vote.

Does the fact that the majority shareholder has already stated that it intends to vote in favour of the Scheme mean that my vote is irrelevant?

No. Although Anchorage has publicly stated that, in the absence of a Superior Proposal, it intends to vote its 35% shareholding in favour of the Scheme, this does not mean that your vote has no influence on the final outcome. Anchorage's vote in favour of the Scheme will not by itself mean that the Scheme will be approved. Accordingly, your vote remains important in determining whether the Heinz Proposal proceeds.

What approvals are required at the Scheme Meeting?

For the Scheme to be approved, votes in favour of the Scheme must be received from:

- a majority in number (more than 50%) of Golden Circle Shareholders voting at the Scheme Meeting (whether in person, by proxy, by attorney or, in the case of corporate Golden Circle Shareholders, by corporate representative), although the Court has the power by order to disregard this, see Part B, Section 4.2(f) for details; and
- Golden Circle Shareholders who together hold at least 75% of the total number of Golden Circle Shares voted at the Scheme Meeting.

Is voting compulsory at the Scheme Meeting?

Voting is not compulsory. However, the Golden Circle Board believes that the Heinz Proposal is important to all Golden Circle Shareholders and urges you to read this Explanatory Booklet and exercise your right to vote. Your vote is important and is your opportunity to have your say on the success or failure of the Heinz Proposal.

What if I cannot or do not wish to attend the Scheme Meeting?

If you cannot or do not wish to attend the Scheme Meeting, you may appoint a proxy, attorney or representative to vote at the meeting on your behalf. Full details of how these appointments may be made are contained in Part A, Section 3 of this Explanatory Booklet. A proxy form accompanies this Explanatory Booklet.

What happens if I vote against the Scheme? Can I be forced to sell my Golden Circle Shares?

If the Scheme is approved by the requisite majorities at the Scheme Meeting and is approved by the Court, it will bind all Golden Circle Shareholders, including those who vote against it (or those who do not vote at all). In these circumstances, all Golden Circle Shares (if any) that you hold as at the Record Date will be transferred to Heinz, and you will receive the Scheme Consideration.



# Part A

## Section 4

### Frequently asked questions

| Question   | Answer   |
|--|--|
| When will the results of the voting be known?        | The results of the votes cast at the Scheme Meeting will be made publicly available during or shortly after the conclusion of the meeting.   |
| What are the tax implications of the Heinz Proposal? | A guide to the general taxation implications of the Heinz Proposal is set out in Part C, Section 2 of this Explanatory Booklet.  |
| Are there any conditions that need to be satisfied?  | <p>In addition to the approval of Golden Circle Shareholders and the Court, implementation of the Heinz Proposal is subject to various conditions being satisfied or waived. These are outlined in Part B, Section 1 and discussed more fully in Part B, Section 4 of this Explanatory Booklet. The Conditions are set out in full in the Implementation Agreement which is reproduced (without some Schedules) in Part C, Section 3 of this Explanatory Booklet.</p> <p>Golden Circle will make a statement regarding the status of these conditions at the commencement of the Scheme Meeting.</p>   |
| Can I continue to trade Golden Circle Shares?        | Yes, broadly speaking you will be able to trade Golden Circle Shares on the NSX until the Scheme becomes Effective, which is expected to be on 9 December 2008 if the Scheme is approved. Further details on when trading in Golden Circle shares will cease is set out in Part B, Section 5.4 of this Explanatory Booklet.  |
| What are my options?                                 | <p>If you are a Golden Circle Shareholder, your options are to:</p> <ul style="list-style-type: none"><li>• vote in favour of the Scheme at the Scheme Meeting to be held on 1 December 2008 (this being the course of action unanimously recommended by your Directors);</li><li>• vote against the Scheme at the Scheme Meeting;</li><li>• sell your Golden Circle Shares prior to the meeting to be held on 1 December 2008 or prior to the Record Date (scheduled to be 5.00pm Brisbane time on 16 December 2008), although you will not be able to sell your Golden Circle Shares on market after the close of trading on NSX on the Effective Date for the Scheme (scheduled to occur at 4.00pm Brisbane time on 9 December 2008); or</li><li>• do nothing; i.e. neither vote in favour of or against the Scheme nor sell your Golden Circle Shares.</li></ul> <p>These options and their implications are considered in more detail in Part B, Section 3 of this Explanatory Booklet.</p> |

### Further Information

The information in this table is a summary only. Full details of the Heinz Proposal are set out in the remainder of this Explanatory Booklet. Please read it carefully. Your Directors encourage all of the Shareholders to attend the Shareholder Information Meeting to be held at The Events Centre, 20 Minchinton Street, Caloundra, Queensland on 13 November 2008 commencing at 2.00pm where you will have the opportunity to further understand the Heinz Proposal and to meet the Managing Director of Heinz, Mr Peter Widdows. Your Directors recommend that you consult your legal, financial, taxation or other professional adviser concerning the impact your decision may have on your own circumstances.

# Part B

The Heinz Proposal in Further Detail

# Part B

## Section 1

### Key features of the Heinz Proposal

#### 1.1 Introduction

On 6 October 2008, Golden Circle announced that it had signed an agreement with Heinz under which it is proposed that Heinz will acquire all of the Golden Circle Shares on issue for \$1.65 cash per Share through a Scheme of Arrangement between Golden Circle and its Shareholders (**Scheme and Scheme Consideration**).

If the Scheme is approved by Golden Circle Shareholders and by the Court, and if all other necessary approvals and conditions for the Scheme are satisfied or waived (as applicable), Golden Circle will become a wholly-owned subsidiary of Heinz and will be delisted from the NSX.

This Explanatory Booklet contains information that the Golden Circle Board considers is material to Golden Circle Shareholders in making a decision whether or not to vote in favour of the Scheme. You should carefully read this Explanatory Booklet as part of your consideration of the Scheme.

#### 1.2 What you will receive

Subject to the Scheme becoming Effective, Golden Circle Shareholders will receive \$1.65 cash from Heinz for each Golden Circle Share they hold as at the Record Date (expected to be 5.00pm Brisbane time on 16 December 2008).

#### 1.3 Directors' recommendations and intentions

Your Directors unanimously believe that the Heinz Proposal is in the best interests of Golden Circle Shareholders and unanimously recommend that, in the absence of a Superior Proposal, Golden Circle Shareholders vote in favour of the Heinz Proposal.

In the absence of a Superior Proposal, each Director intends to vote in favour of the Heinz Proposal, in respect of all Golden Circle Shares held by him or in which he otherwise has a relevant interest.

In forming their unanimous recommendations, your Directors have carefully considered the expected advantages, potential disadvantages and risks of the Heinz Proposal and the opinion of the Independent Expert. These considerations are discussed in Section 2.

#### 1.4 Key conditions

The key conditions that must be satisfied or waived in order for the Heinz Proposal to proceed are:

- Golden Circle Shareholders approving the Scheme at the Scheme Meeting. For the Scheme to be approved by Golden Circle Shareholders, votes in favour of the Scheme must be received from:
  - a majority in number (more than 50%) of Golden Circle Shareholders voting at the Scheme Meeting (whether in person, by proxy, by attorney or, in the case of corporate Golden Circle Shareholders or proxies, by corporate representative)\*; and
  - Golden Circle Shareholders who together hold at least 75% of the total number of Golden Circle Shares voted at the Scheme Meeting;

\*The Court may by order disregard this requirement. See Part B, Section 4.2(f) for details.

- the Court approving the Scheme;
- the obtaining of all required regulatory consents or approvals including FIRB;
- no prohibitive orders or determinations preventing the implementation of the Scheme;
- no Golden Circle Material Adverse Change occurring before 8.00am on the Second Court Date;
- no Golden Circle or Heinz Prescribed Occurrences occurring (these occurrences primarily relate to the ongoing solvency of both companies and, in the case of Golden Circle, includes Golden Circle not materially breaching a material contract, not taking any action to distribute cash outside the company or reorganising its capital structure) before 8.00am on the Second Court Date;
- no change in the recommendation of the Board for you to accept the Heinz Proposal unless there is a Superior Proposal;
- the warranties given by Golden Circle and Heinz to each other are (and remain) true and correct at 8.00am on the Second Court Date; and
- the consent of GE is obtained to the extent necessary to implement the Scheme pursuant to the terms of a facility agreement between GE and Golden Circle.

These conditions are discussed more fully in Part B, Section 4 of this Explanatory Booklet and are set out in full in the Implementation Agreement a copy of which is set reproduced in Part C, Section 3 of this Explanatory Booklet.

As at the date of this Explanatory Booklet, Golden Circle is not aware of any circumstances which would cause any of the above conditions not to be satisfied or which could result in termination of the Implementation Agreement. Golden Circle will make a statement regarding the status of the conditions at the commencement of the Scheme Meeting.

#### 1.5 Implementation and timetable

If all necessary approvals and conditions for the Heinz Proposal are satisfied or waived (as applicable), it is expected that the Proposal will be fully implemented by the end of December 2008. The key dates and times in relation to the Heinz Proposal are set out at the beginning of this Explanatory Booklet. Part B, Sections 4 and 5 of this Explanatory Booklet describe in further detail the procedural aspects of the Heinz Proposal and how it will be implemented.

With respect to Court approval of the Scheme, the Corporations Act and the *Corporations Proceedings Rules* provide a procedure for Golden Circle Shareholders, if they wish to do so, to oppose the Court approving the Scheme. Please refer to Part B, Section 5 for further information.

# Part B

## Section 2

### Important considerations for Golden Circle Shareholders

#### 2.1 Introduction

The purpose of this Section is to identify significant issues for Golden Circle Shareholders to consider in relation to the Heinz Proposal.

Before deciding how to vote at the Scheme Meeting, Golden Circle Shareholders should carefully consider the factors discussed below, as well as the other information contained in this Explanatory Booklet.

#### 2.2 Directors' recommendation and intentions

Your Directors are Phil Cave, Ern Pope, Chris Riordan, Michael Briggs, Lindsay Fullerton, Eldo Di Pasquale and Peter Voight. Details about the interests of the Directors in the Heinz Proposal are disclosed in Part B, Section 8 of this Explanatory Booklet.

Having regard to all of the considerations discussed in this Section 2, your Directors unanimously consider that the expected advantages of the Heinz Proposal outweigh its potential disadvantages and risks.

Accordingly, your Directors (in the absence of a Superior Proposal):

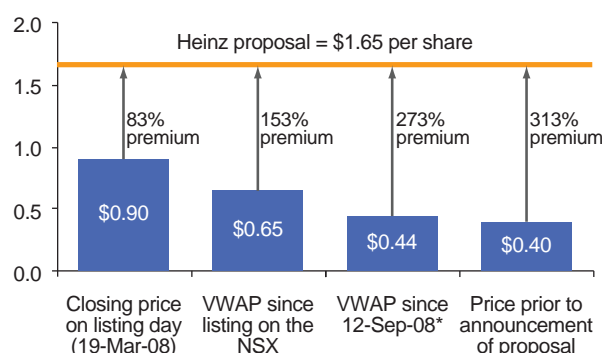
- unanimously recommend that Golden Circle Shareholders vote in favour of the Heinz Proposal; and
- intend to vote all of the Golden Circle Shares held by them or in which they otherwise have a relevant interest in favour of the Heinz Proposal.

This conclusion is supported by the Independent Expert, Ernst & Young Transaction Advisory Services Limited. The Independent Expert has concluded that, in the absence of a Superior Proposal, the Heinz Proposal is in the best interest of Golden Circle Shareholders.

#### 2.3 Key reasons for your Directors' unanimous recommendation

##### (a) Substantial premium to trading prices of Golden Circle Shares prior to the announcement of the Heinz Proposal

###### Premium to recent trading



\* Release of 2007/2008 Annual Report and update on Golden Circle Restructuring Plan

Subject to the Scheme becoming Effective, Scheme Shareholders will receive \$1.65 cash from Heinz for each Golden Circle Share they hold as at the Record Date. This represents a premium of:

- 313% to Golden Circle's closing Share price of \$0.40 on 3 October 2008, being the last NSX trading day immediately prior to the announcement of the Heinz Proposal; and
- 273% premium to the VWAP of \$0.44 for Golden Circle Shares sold on the NSX from and including 12 September 2008 (being the date on which Golden Circle released its results for the 18 months ended 30 June 2008) up to and including 3 October 2008.

Accordingly, the Heinz Proposal is an opportunity for Golden Circle Shareholders to realise their investment at an attractive premium in circumstances where global equity and credit markets are experiencing significant volatility. In this regard, it is also relevant to note that the Heinz Proposal is not subject to any funding condition. This enhances the certainty of the Heinz Proposal.

##### (b) The Independent Expert has concluded that the Heinz Proposal is in the best interest of Golden Circle Shareholders, in the absence of a Superior Proposal

Ernst & Young Transaction Advisory Services Limited has assessed the value of Golden Circle to be in the range of \$1.15 to \$1.33 per Share. The



## Part B

### Section 2

#### Important considerations for Golden Circle Shareholders

Scheme Consideration of \$1.65 cash per Golden Circle Share is significantly above this range. The Independent Expert has concluded that, in the absence of a Superior Proposal, the Heinz Proposal is in the best interest of Golden Circle Shareholders.

The Independent Expert's Report is included in Part C, Section 1 of this Explanatory Booklet. You should read this report in its entirety and contact your professional adviser if you require further advice in relation to the Heinz Proposal.

#### **(c) No Superior Proposal has been received**

Since the announcement of the Heinz Proposal on 6 October 2008 and up to the date of this Explanatory Booklet, the Golden Circle Board has not received or become aware of any other bona fide proposal from a third party to acquire control of Golden Circle.

As at the date of this Explanatory Booklet, the Golden Circle Board has no basis for believing that a Superior Proposal will be received.

#### **(d) Certainty of cash**

The Scheme Consideration of \$1.65 cash per Share offered to Golden Circle Shareholders under the Heinz Proposal provides certainty of value and timing. Specifically, if all of the conditions and approvals for the Scheme are satisfied or waived, as applicable (see Part B, Section 4 of this Explanatory Booklet), Scheme Shareholders should receive their Scheme Consideration between 19 December 2008 and 30 December 2008.

In contrast, if the Heinz Proposal does not proceed, the amount which Golden Circle Shareholders will be able to realise for their Golden Circle Shares (in terms of price), and from their Shares (by way of future dividends), will necessarily be uncertain. For example, Golden Circle has not paid a dividend to Shareholders since 23 January 2003. Among other things, this will be subject to the performance of Golden Circle's business from time to time and the vagaries of the share market. The Heinz Proposal removes this uncertainty for Golden Circle Shareholders.

#### **(e) Golden Circle's financial profile**

Golden Circle has historically reported on a calendar year basis. The Company has reported annual financial losses from 2003 to 2006. In May 2007 a rationalisation plan was announced to address the poor performance of Golden Circle. This included increasing prices, reducing product

input costs, rationalising overhead structures and improving manufacturing efficiencies. The Company was also refinanced in October 2007 to reduce debt levels and lower interest costs.

As announced on 12 September 2008, for the twelve months ended 30 June 2008:

- the operating profit after tax of Golden Circle was \$20.1 million compared with an operating loss after tax of \$25.7 million for the corresponding period to 30 June 2007;
- this operating profit included income from the sale of excess assets at the Northgate site which generated a profit of \$21.0 million before tax. Significant transactions costs of \$4.1 million (2007/2008) and \$2.2 million (2006/2007) representing costs of the restructure, rationalisation and other one off costs are also included;
- normalised results excluding the above transactions provides an operating profit after tax of Golden Circle of \$3.5 million compared with an operating loss after tax of \$22.2 million for the corresponding period to 30 June 2007;
- Golden Circle achieved normalised earnings before interest and tax of \$13.9 million profit compared with a loss of \$4.4 million for the corresponding period to 30 June 2007; and
- Golden Circle achieved a revenue growth of 1.2% over the 12 months ended 30 June 2008.

As indicated in the 2008 Annual Report, Golden Circle is experiencing an extremely competitive trading environment and remains in turnaround mode. The efforts required to place the business onto a sustainable platform for growth should not be underestimated, nor can Golden Circle ignore the competitiveness of the current retail market.

There is no guarantee that the improvements to the business and the initiatives in place will translate into a sustained period of profitability for Golden Circle. In assessing these matters, it is important to note that the future financial prospects of Golden Circle are uncertain. Your Directors have prepared a budget for the year ending 30 June 2009 which aims to achieve an EBITDA of \$37.2 million. Within a tolerance range of 20%, your Directors believe that this level of growth of earnings is achievable.

## Part B

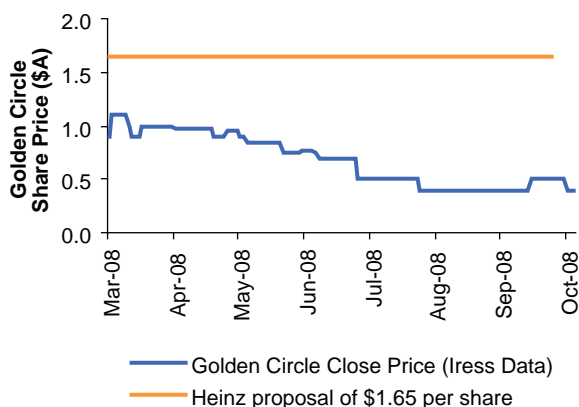
### Section 2

#### Important considerations for Golden Circle Shareholders

**(f) Golden Circle Shares may continue to trade at prices prior to the date of the announcement of the Heinz Proposal if the Scheme does not proceed**

In the period from the release of Golden Circle's results for the year ended 30 June 2008 to 3 October 2008, the VWAP of Golden Circle Shares was \$0.44. The trading range for Golden Circle Shares from listing up to 3 October 2008 was \$0.40 to \$1.10. These historical prices, compared to the Scheme Consideration of \$1.65 cash per Share under the Heinz Proposal, are depicted in the graph below:

#### Premium to recent share price performance



If the Heinz Proposal is not approved and if no Superior Proposal emerges, the price of Golden Circle Shares on the NSX may continue to trade at the levels prior to the date of the announcement of the Heinz Proposal on 6 October 2008 which is significantly below the Scheme Consideration of \$1.65 cash per Share offered under the Heinz Proposal.

**(g) No transaction costs on the disposal of your Golden Circle Shares**

Golden Circle Shareholders will not be required to pay any brokerage or stamp duty on the disposal of their Golden Circle Shares under the Heinz Proposal.

#### 2.4 Possible disadvantages and other relevant considerations

**(a) The Heinz Proposal is conditional**

The Heinz Proposal is subject to various conditions. These conditions are outlined in Part B, Section 4 of this Explanatory Booklet.

As at the date of this Explanatory Booklet, the Directors are not aware of any matter which would result in a breach, or lead to non-performance, of any of those conditions.

**(b) All or nothing proposal – Golden Circle Shareholders**

If all of the conditions and approvals for the Heinz Proposal are satisfied or waived (as applicable):

- the Proposal will bind all persons registered as Golden Circle Shareholders as at the Record Date, including those who do not vote on the Proposal and those who vote against it; and
- Golden Circle will become wholly-owned and controlled by Heinz.

Conversely, if any of the conditions and approvals for the Heinz Proposal are not satisfied or waived (as applicable), Golden Circle Shareholders will retain all of their Shares and the Company will remain listed on the NSX (see further Part B, Section 2 for the implications if the Heinz Proposal does not proceed).

**(c) Costs**

Golden Circle has incurred costs in developing the Heinz Proposal (including in negotiations with Heinz, retention of advisers, engagement of the Independent Expert and preparation of this Explanatory Booklet).

If the Heinz Proposal is approved and implemented, these costs will effectively be met by Heinz (as the sole shareholder of Golden Circle following implementation of the Scheme).

If the Heinz Proposal is not approved and implemented and if a Superior Proposal does not emerge and become effective, Golden Circle will be required to pay transaction costs of approximately \$1,000,000 which will be included in the 2009 results. In certain circumstances, there may be further costs incurred by Golden Circle as summarised in Part B, Section 4 of this Explanatory Booklet.

**(d) Likelihood of a Superior Proposal**

Since the announcement of the Heinz Proposal on 6 October 2008 and up to the date of this Explanatory Booklet, no Competing Proposal has been received. As at the date of this Explanatory Booklet, your Directors have no basis for believing that a Superior Proposal will be received.

The Implementation Agreement entered into between Golden Circle and Heinz prohibits, subject

## Part B

### Section 2

#### Important considerations for Golden Circle Shareholders

to certain exceptions, Golden Circle from soliciting, encouraging or inviting, directly or indirectly, any enquiries, discussions or proposals in relation to, or which may reasonably be expected to lead to, a Competing Proposal during the Exclusivity Period.

However, the Implementation Agreement does not prohibit Golden Circle from considering and responding to unsolicited proposals that may lead to a bona fide Competing Proposal where the Golden Circle Board has determined in good faith:

- and acting reasonably that the Competing Proposal is proposed in writing by or on behalf of a person who is of reputable commercial standing and could reasonably be considered to be a Superior Proposal; and
- after receiving written legal advice from its external advisers, that not responding to the Competing Proposal would be reasonably likely to constitute a breach of Golden Circle directors' fiduciary or statutory duties.

Part B, Section 4 of this Explanatory Booklet provides a summary of these exclusivity arrangements, including the qualifications and exceptions.

Under the Implementation Agreement, Golden Circle has agreed to pay \$2.1 million (excluding GST if applicable) to Heinz if certain events occur including a material breach of the Implementation Agreement by Golden Circle, a change or withdrawal by any Director of the positive recommendation of the Heinz Proposal, a Superior Proposal being recommended, Anchorage voting against the Scheme (in certain circumstances) or a third party (other than Heinz) acquires control or ownership of Golden Circle during the period commencing on 6 October 2008 and ending on the date that is six months after the earlier of the End Date and the date of termination of the Implementation Agreement. Part B, Section 4 of this Explanatory Booklet provides a summary of these reimbursement amount arrangements.

#### **(e) Implications of not pursuing the Heinz Proposal**

If any of the conditions and approvals for the Heinz Proposal are not satisfied or waived (as applicable) and if no Superior Proposal emerges:

- Golden Circle Shareholders will retain all of their Golden Circle Shares and will not receive the Scheme Consideration;
- Golden Circle's Shares may continue to trade at prices prior to the announcement of the Heinz Proposal;

- Golden Circle Shareholders will retain their current investment in Golden Circle and will continue to be exposed to the potential benefits and risks associated with that investment. These risks include general risks associated with any investment listed on the NSX, together with specific risks associated with Golden Circle's business; and
- Golden Circle will have incurred substantial costs and expended management time and resources.

The value of Golden Circle Shares in the longer term may rise above or fall below the prevailing price of Golden Circle Shares at the time of making your voting decision. Factors that could contribute to the change in the price of Golden Circle Shares include (but are not limited to):

- economic conditions in Australia and overseas;
- investor sentiment in local and international stock markets;
- competition in the markets in which Golden Circle operates;
- whether Golden Circle is subject to ongoing takeover speculation; and
- the trading performance of Golden Circle.

#### **(f) Loss of continuing investment in Golden Circle's business**

If the Heinz Proposal is approved and implemented, you will cease to hold an interest in Golden Circle and will no longer have the rights of a shareholder. In particular, you will forego any future dividends from Golden Circle, the opportunity to benefit from any increases in its share price, and your voting rights as a shareholder.

In assessing these matters, it is important to note that the future financial prospects of Golden Circle are uncertain. Your Directors have prepared a budget for the year ending 30 June 2009 which aims to achieve an EBITDA of \$37.2 million. Within a tolerance range of 20%, your Directors believe that this level of growth of earnings is achievable. Heinz is aware of the budgeted EBITDA for the year ending 30 June 2009 and it is a condition precedent to implementation of the Scheme (as summarised in Part B, Section 4.3) that no Material Adverse Change occurs before 8.00am on the Second Court Date.

# Part B

## Section 2

### Important considerations for Golden Circle Shareholders

Due to a number of factors outlined in Section 6.2.1 of the Independent Expert Report, the Independent Expert has mainly had regard to the actual reported earnings for the year ended 30 June 2008 in developing an appropriate estimate of normalised EBITDA. It is also important to note that, even if this growth is achieved, it does not follow that Heinz or any other party would be willing to offer more than \$1.65 for each Golden Circle Share.

#### **(g) Loss of influence**

If the Heinz Proposal is approved and implemented, then you will cease to have the right to influence the future direction of Golden Circle through your voting rights as a shareholder. Heinz will have the right to determine who is appointed to the Board of Golden Circle and will have the right to determine the future direction of the company. It is possible that there will be no growers on the Golden Circle Board.

#### **(h) Taxation consequences**

If the Heinz Proposal is approved and implemented, it will potentially result in taxation consequences (potentially including capital gains tax) which will arise earlier than may otherwise have been the case.

#### **(i) A Superior Proposal could potentially emerge**

It is possible that a more attractive proposal for Golden Circle Shareholders could materialise in the future, e.g. a takeover bid. However, as at the date of this Explanatory Booklet, your Directors have not received or become aware of any alternative proposal and have no basis for believing that an alternative proposal will be received.

## Part B

### Section 3

What are your options and what should you do?

The following principal options are available to Golden Circle Shareholders in relation to their Golden Circle Shares. Golden Circle encourages you to consider your personal risk profile, portfolio strategy, tax position, financial circumstances and seek professional advice before making any decision in relation to your Golden Circle Shares.

#### Vote in favour of the Scheme

**This is the course of action unanimously recommended by your Directors, in the absence of a Superior Proposal.** The reasons for your Directors' unanimous recommendation are set out in Part A, Section 2.

To follow your Directors' unanimous recommendation, you should vote in favour of the Scheme at the Scheme Meeting. For a summary of how to vote at the meeting, refer to Part C, Section 7 of this Explanatory Booklet.

#### Vote against the Scheme

If, despite your Directors' unanimous recommendation and the conclusion of the Independent Expert, you do not support the Heinz Proposal, you may vote against the Scheme at the Scheme Meeting.

However, if all of the conditions and approvals for the Scheme are satisfied or waived (as applicable), the Proposal will bind all Scheme Shareholders, including those who vote against the resolution at the meeting or those who do not vote at all.

#### Sell your Golden Circle Shares

The existence of the Heinz Proposal does not preclude you from selling your Golden Circle Shares on market for cash, if you wish, provided you do so before close of trading in Golden Circle Shares on the NSX on the Effective Date (currently expected to be 9 December 2008), when trading in Golden Circle Shares will end.

You may also sell your Golden Circle Shares off-market after the Effective Date but before the Record Date (currently expected to be 5.00pm (Brisbane time) on 16 December 2008).

If you are considering selling your Golden Circle Shares, you should have regard to the prevailing trading prices of Golden Circle Shares and compare those to the Scheme Consideration being offered under the Heinz Proposal. You may ascertain current trading prices of Golden Circle Shares through the NSX website ([www.nsx.com.au](http://www.nsx.com.au)), or by contacting your stockbroker.

Golden Circle Shareholders who sell their Golden Circle Shares on the NSX:

- will receive the consideration for sale of their Shares sooner than they would receive under the Scheme;
- may incur a brokerage charge; and
- will not be able to participate in the Heinz Proposal or a Superior Proposal, if one emerges.

#### Do nothing; i.e. neither vote in favour of nor against the Scheme nor sell your Golden Circle Shares

Golden Circle Shareholders who do not elect to vote at the Scheme Meeting or sell their Golden Circle Shares will:

- if the Scheme is implemented - have their Golden Circle Shares compulsorily transferred to Heinz, by operation of the Scheme and receive payment of \$1.65 cash per Golden Circle Share; and
- if the Scheme is not implemented - retain their Golden Circle Shares.



# Part B

## Section 4

### Procedural aspects for the Heinz Proposal

#### 4.1 Introduction

This Section 4:

- discusses the purpose and effect of the Scheme;
- provides a summary of the conditions and approvals required for the Scheme to proceed; and
- provides a summary of the rights of Golden Circle and Heinz to withdraw from the Scheme.

The conditions and approvals for the Scheme and the rights of Golden Circle and Heinz to withdraw from the Scheme, are set out in the Implementation Agreement, a copy of which is set out in Part C, Section 3 of this Explanatory Booklet. These conditions, approvals and withdrawal rights are summarised in this section of the Explanatory Booklet.

#### 4.2 The Scheme

##### (a) Purpose

The purpose of the Scheme is to implement the terms of a proposed arrangement between Golden Circle and Scheme Shareholders to deliver 100% ownership and control of Golden Circle to Heinz, in exchange for payment of the Scheme Consideration by Heinz. If the Scheme becomes Effective, Golden Circle will become a wholly-owned subsidiary of Heinz and will be delisted from the NSX. The terms of the Scheme are set out in full in Part C, Section 4 to this Explanatory Booklet.

##### (b) Legal effect

If the Scheme becomes Effective, it will constitute a binding arrangement between Golden Circle and each Golden Circle Shareholder as at the Record Date under which:

- all Golden Circle Shares held by each Scheme Shareholder (including those who do not vote on the Scheme and those who vote against it) will be transferred to Heinz, without the need for any action on the part of the Scheme Shareholders; and
- each Scheme Shareholder (including those who do not vote on the Scheme and those who vote against it) will receive the Scheme Consideration as consideration in full for the transfer of all of their Golden Circle Shares to Heinz.

##### (c) Classes of members affected by the Scheme

Golden Circle has only one class of shares on issue – fully paid ordinary shares. There is only one class of ordinary shareholders who will be affected by the Scheme, namely Golden Circle Shareholders. Accordingly, all Golden Circle Shareholders will vote on the Scheme as a single class at the Scheme Meeting.

##### (d) Scheme Meeting

On 24 October 2008, the Court ordered Golden Circle to convene a meeting of Golden Circle Shareholders to consider and vote on the Scheme.

The notice convening the Scheme Meeting is set out in Part C, Section 6 of this Explanatory Booklet. The order of the Court convening the Scheme Meeting is not and should not be treated as an endorsement of, or any other expression of opinion by the Court on, the Scheme.

##### (e) Eligibility to vote at the Scheme Meeting

Each person who is registered on the Golden Circle Share Register as a Golden Circle Shareholder as at the Voting Entitlement Time (7.00pm Sydney time on 29 November 2008) is entitled to attend and vote at the Scheme Meeting, either in person, by proxy or attorney or, in the case of a corporate Golden Circle Shareholder or proxy, by a representative.

Part A, Section 3 of this Explanatory Booklet provides a summary of how to vote at the Scheme Meeting. A proxy form for the Scheme Meeting is enclosed with this Explanatory Booklet.

##### (f) Voting majority required

The resolution to approve the Scheme is subject to approval by the majorities required under section 411(4)(a)(ii) of the Corporations Act. The Scheme Resolution must be approved by:

- unless the Court otherwise orders - a majority in number (more than 50%) of Golden Circle Shareholders present and voting at the Scheme Meeting (whether in person, by proxy, attorney or, in the case of corporate Golden Circle Shareholders or proxies, by corporate representative) (**Headcount Test**); and
- Golden Circle Shareholders whose Golden Circle Shares in aggregate account for at least 75% of the votes cast on the resolution.

The Court has power to approve the Scheme even if the Headcount Test has not been satisfied.

The Court may do so if there is evidence that the result of the vote has been unfairly influenced by activities such as share splitting and other unforeseen extraordinary circumstances.

#### (g) Your warranties under the Scheme

Scheme Shareholders are taken to have warranted to Heinz that all their Golden Circle Shares (including any rights attaching to those shares) which are transferred to Heinz under the Scheme will, at the date of the transfer, be fully paid and free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to transfer their Golden Circle Shares together with any rights attaching to such Shares.

If the Scheme becomes Effective, Heinz is bound under the terms of the Implementation Agreement and the Deed Poll to provide the Scheme Consideration in accordance with the Scheme. Accordingly, from the Effective Date, until Golden Circle registers Heinz as the holder of the Scheme Shares in the Golden Circle Register, each Scheme Shareholder is deemed to have appointed Golden Circle as its attorney and agent to appoint the Chairman of Heinz as its sole proxy, and where applicable, corporate representative to attend shareholder meetings of Golden Circle and exercise the votes attaching to the Scheme Shares.

### 4.3 The Scheme – conditions and termination

#### (a) Conditions

Implementation of the Scheme is subject to the satisfaction or waiver of the following conditions which must be satisfied or waived (as applicable):

- **(Regulatory approvals)** before 8.00am on the Second Court Date, all regulatory consents or approvals required to implement the Scheme including but not limited to FIRB approval (other than the approval of the Scheme by the Court in accordance with section 411(4)(b) of the Corporations Act) are obtained;
- **(No prohibitive orders or determinations)** before 8.00am on the Second Court Date, no prohibitive orders or determinations prevent the implementation of the Scheme;
- **(No Material Adverse Change)** before 8.00am on the Second Court Date, no Golden Circle Material Adverse Change occurs, being 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 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.
- **(No Prescribed Occurrences)** no Golden Circle or Heinz Prescribed Occurrences occur (these occurrences primarily relate to the ongoing solvency of both companies and, in the case of Golden Circle, include Golden Circle not breaching a material contract, not taking any action to distribute cash outside the Company or reorganise its capital structure) before 8.00am on the Second Court Date;
- **(No change of Golden Circle Board recommendation)** none of the Directors of Golden Circle change, qualify or withdraw their unanimous recommendation to you to vote in favour of the Heinz Proposal in the absence of a Superior Proposal;
- **(Warranties)** the warranties given by Golden Circle and Heinz to each other are (and remain) true and correct at 8.00am on the Second Court Date;
- **(Approval of the Scheme)** Golden Circle Shareholders approve the Scheme by the requisite majorities under section 411(4) of the Corporations Act;
- **(Court approval of Scheme)** the Scheme is approved by the Court in accordance with section 411(4)(b) of the Corporations Act; and
- **(GE consent)** the consent of GE is obtained to the extent necessary to implement the Scheme pursuant to the terms of a facility agreement between GE and Golden Circle.



# Part B

## Section 4

### Procedural aspects for the Heinz Proposal

#### (b) Termination of Implementation Agreement

The Implementation Agreement may be terminated by either Golden Circle or Heinz 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;
- subject to the Court ordering the Headcount Test to be disregarded, at the Scheme Meeting, the Scheme is not approved by the necessary majorities of Golden Circle Shareholders;
- a Competing Proposal is publicly announced which the Golden Circle Board publicly recommends as being a Superior Proposal;
- Heinz changes the structure of the Heinz Proposal from the Scheme to a takeover bid under Chapter 6 of the Corporations Act, 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 Golden Circle and Heinz have met and consulted in good faith and agreed that they do not wish to proceed with the Scheme;
- the conditions (as summarised in section 4.3 of this Part B) are not satisfied or waived (if capable of being waived) by the required date; or
- the Effective Date does not occur on or before the End Date.

Further, Heinz may terminate the Implementation Agreement at any time prior to the Second Court Date, by giving Golden Circle written notice if any Golden Circle Director changes or withdraws their recommendation of the Heinz Proposal or makes a public statement indicating that they no longer support the Heinz Proposal.

#### 4.4 No talk and no shop arrangements

Golden Circle entered into a confidentiality agreement with Heinz on 8 September 2008 prior to the commencement of due diligence on Golden Circle by Heinz.

Under the Implementation Agreement Golden Circle has agreed that it must not and must ensure that its Representatives do not, during the Exclusivity Period, subject to the exceptions below or without Heinz's consent:

- solicit, encourage, or invite, directly or indirectly, any enquiries, discussions or proposals in relation to a Competing Proposal, or which may reasonably be expected to lead to, a Competing Proposal; or
- enter into or participate in any negotiations, discussions, agreement, arrangement or understanding in relation to or which may reasonably be expected to lead to a Competing Proposal or potential Competing Proposal.

However, Golden Circle may undertake any action that would otherwise be prohibited by the second limb of the above exclusivity arrangements where:

- it is in response to an unsolicited bona fide Competing Proposal;
- the Golden Circle Board has determined in good faith and acting reasonably that the Competing Proposal is proposed in writing by or on behalf of a person who is of reputable commercial standing and could reasonably be considered to be a Superior Proposal; and
- the Golden Circle Board has determined in good faith, after receiving written legal advice from its external legal advisers, that not responding to the proposal would be reasonably likely to constitute a breach of the Golden Circle directors' fiduciary or statutory duties.

Based on its legal advice, the Board believes that by including clauses in the Implementation Agreement which allow the Board not to comply with the exclusivity restrictions if non-compliance is necessary to discharge their fiduciary duties, the Board are not in breach of their fiduciary duties, merely by agreeing to the exclusivity restrictions.

#### 4.5 Status of conditions and termination rights

As at the date of this Explanatory Booklet, Golden Circle is not aware of any circumstances which would cause any of the above conditions not to be satisfied or which could result in termination of the Implementation Agreement.

Golden Circle will make a statement regarding the status of the other conditions to the Implementation Agreement at the commencement of the Scheme Meeting.

#### 4.6 Reimbursement of Costs

Golden Circle has agreed to pay Heinz \$2,100,000 (exclusive of GST) (**Break Fee**) if:

- Golden Circle is in material breach of any of its obligations or of a representation or warranty given under the Implementation Agreement and, subject to a cure period, Heinz validly terminates the Implementation Agreement prior to the Second Court Date;
- at any time prior to the Second Court Date, any director of Golden Circle changes or withdraws his support or positive recommendation of the Heinz Proposal or makes a public statement indicating that he no longer supports the Heinz Proposal (**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 occurrences occurs in relation to Heinz;
  - a warranty given by Heinz in the Implementation Agreement is not true and correct; or
  - Golden Circle is entitled to terminate the Implementation Agreement in certain circumstances including 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 votes against the Scheme in circumstances where Golden Circle has not publicly recommended a Superior Proposal and Golden Circle is not entitled to terminate the Implementation Agreement pursuant to its rights under that agreement; or
- during the period commencing on 6 October 2008 and ending on the date that is six months after the earlier of the End Date and the date of termination of the Implementation Agreement, a Competing Proposal is publicly announced, the Competing Proposal is a Superior 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.

No amount is payable by Golden Circle to Heinz if the Scheme becomes Effective on or before the End Date despite the occurrence of any event described above.

Further, no amount is payable by Golden Circle to Heinz if the Scheme is not approved by Golden Circle Shareholders (provided however that Anchorage votes in favour of the Scheme) at the Scheme Meeting.

The Break Fee has regard to the guidelines issued by the Takeovers Panel. However, the Break Fee is not payable to the extent that a court or the Takeovers Panel determines that all or any part of the Break Fee is unlawful, involves a breach of Golden Circle's Directors' duties or constitutes unacceptable circumstances or breaches an order of the Takeovers Panel.

#### 4.7 Arrangements in respect of Golden Circle Options

Golden Circle Optionholders are not involved in, and are therefore not bound or prejudiced by, the Scheme. However, Golden Circle is currently negotiating an arrangement with the Optionholders which would become effective if the Scheme is approved and implemented. Those arrangements will affect Heinz and not the Shareholders.

The Board of Golden Circle may at any time amend all or any of the provisions of the LTIP and the terms and conditions of an offer under the LTIP subject to the consent of 75% of all participants under the LTIP if the amendment would prejudicially affect the rights of participants.

Golden Circle has on issue 4,900,000 Options. The Options entitle the holder to acquire, by way of issue, a like number of Golden Circle Shares at an exercise price of \$0.80 per Option. Golden Circle Options were granted to senior managers on 31 July 2008 and 25 September 2008 under the Long Term Incentive Plan approved by Golden Circle Shareholders on 7 March 2008. Prior to Heinz's approach to Golden Circle, Golden Circle agreed to issue a further 800,000 Options to senior managers. Golden Circle Options are not traded on any financial market.

## Part B

### Section 4

#### Procedural aspects for the Heinz Proposal

The arrangements being negotiated between Golden Circle and the Optionholders are to the effect set out below.

The LTIP will be amended to specifically state that on the occurrence of Heinz acquiring 100% of the shares in Golden Circle pursuant to this Scheme, the Options and any Options agreed to be issued, will be dealt with in accordance with agreed principles between Golden Circle and Heinz. In summary, the agreed principles involve the amendment to the LTIP on or before the Implementation Date which will replace the entitlement to a cash payment under the existing rules of the LTIP, with the cash payment of a bonus in accordance with the agreed principles. The amount and receipt of the cash bonus is conditional on the business conducted by the Golden Circle Group achieving certain EBITDA financial targets for the 10 months ending 30 April 2009 as set out in the agreed principles. Some of these financial targets exceed the budgeted EBITDA for the year ending 30 June 2009. Within a tolerance range of 20%, your Directors believe that the level of growth of earnings in the budgeted EBITDA for the year ending 30 June 2009 is achievable. The minimum amount payable by Heinz to each Optionholder is \$0.40 (with the maximum being \$1.00) for each Option currently held or agreed to be issued. The bonus payment will be made on 1 July 2009 when (if the Scheme becomes Effective) Golden Circle will be a wholly owned subsidiary of Heinz.

Based on the number of Options on issue and agreed to be issued, Heinz will be required to pay Optionholders an aggregate amount in the range of \$2.28 million to \$5.70 million (depending on the performance of the Golden Circle Group as at 30 April 2009).

If the Heinz Proposal is not implemented, the existing arrangements in respect of the Options will remain in place as approved by Shareholders on 7 March 2008.

The number of Options held by each Optionholder are set out in Part B, Section 8 of this Explanatory Booklet.

## 5.1 Introduction

If:

- the Scheme is approved by Golden Circle Shareholders at the Scheme Meeting; and
- all other conditions to the Scheme as described in Part B, Section 4 of this Explanatory Booklet (other than Court approval of the Scheme) have been satisfied or waived (as applicable),

the further general steps required to implement the transaction are described in this Part B, Section 5.

The description of these general steps is based on the obligations of Golden Circle and Heinz under the Implementation Agreement. Heinz has also executed a Deed Poll in which it acknowledges and confirms, for the benefit of Scheme Shareholders, its obligation to pay them the Scheme Consideration. The full terms of the Implementation Agreement (excluding some schedules reproduced elsewhere in this Explanatory Booklet) and the Deed Poll are contained in Part C, Sections 3 and 5 of this Explanatory Booklet.

## 5.2 Court approval of the Scheme

Golden Circle will apply to the Court for orders approving the Scheme. It is expected that the Court hearing to approve the Scheme will be held on or about 8 December 2008. The Court has a wide, overriding discretion whether or not to approve the Scheme under section 411(4)(b) of the Corporations Act.

The Corporations Act and the Corporations Proceedings Rules provide a procedure for Golden Circle Shareholders to oppose the approval by the Court of the Scheme. If you wish to oppose the approval of the Scheme at the Second Court Hearing, you may do so by filing with the Court and serving on Golden Circle an interlocutory process in the prescribed form together with any affidavit on which you wish to rely at the hearing. With leave of the Court, you may also oppose the approval of the Scheme by appearing at the Second Court Hearing and applying to raise any objections you may have at the hearing. Golden Circle should be notified in advance of an intention to object. The date for the Second Court Hearing is currently scheduled to be 8 December 2008, though an earlier or later date may be sought. Any change to this date will be announced through the NSX.

## 5.3 Receipt of Court orders

If the Court makes orders approving the Scheme, Golden Circle will lodge a copy of those orders with ASIC under section 411(10) of the Corporations Act. As soon as the copies of the Court orders approving the Scheme are lodged with ASIC, the Scheme will become legally Effective. This is expected to occur on or about 9 December 2008.

If the Scheme becomes legally Effective, Golden Circle and Heinz will become bound to implement the Scheme in accordance with the terms of the Scheme and the Deed Poll.

Only Golden Circle Shareholders who qualify as Scheme Shareholders will be bound by and have the benefit of the Scheme. Part B, Section 5.5 of this Explanatory Booklet describes the principles in the Scheme for determining the identity of Scheme Shareholders.

If the Scheme does not become Effective by the End Date or such later date as the Court (with the consent of Golden Circle and Heinz) may order, the Scheme will lapse.

## 5.4 Implementation

### (a) Suspension of trading of Golden Circle Shares

If the Court approves the Scheme, Golden Circle will notify NSX of that approval on the day it is received (expected to be 8 December 2008). It is expected that suspension of trading in Golden Circle Shares on the NSX will occur from the close of trading on the following day.

### (b) Record Date

The Record Date is the date for determining entitlements to the Scheme Consideration, being 5.00pm Brisbane time on the fifth Business Day (or such as other Business Day as Golden Circle and Heinz agree) following the date on which the Scheme becomes Effective. The Record Date is expected to be 5.00pm (Brisbane time) on 16 December 2008.

### (c) Transfer and registration of Scheme Shares

On or before 2.00pm on the Implementation Date, Heinz will deposit into a trust account established in the name of Golden Circle and operated by an Australian bank (**Trust Account**) an amount equal to the total Scheme Consideration to be provided to Scheme Shareholders, such amount to be held on trust for the Scheme Shareholders and for



## Part B

### Section 5

#### Implementation procedures

the sole purpose of dispatching to each Scheme Shareholder a cheque or electronic funds transfer for the Scheme Consideration to which they are entitled.

On the Implementation Date and subject to Heinz complying with its obligations in respect of payment of the total Scheme Consideration, the Scheme Shares held by Scheme Shareholders, together with all rights and entitlements attaching to those shares as at the Implementation Date, will be transferred to Heinz, without the need for any further act by any Scheme Shareholder, by Golden Circle effecting on behalf of Scheme Shareholders a valid transfer or transfers of the Scheme Shares to Heinz (this may be by a master share transfer).

#### **(d) Payment of Scheme Consideration**

After Heinz transfers the amount equal to the total Scheme Consideration into the Trust Account, Golden Circle will within five Business Days dispatch a cheque in Australian currency to each Scheme Shareholder by pre-paid post to their address, as it appears in the Golden Circle Share Register or pay by electronic funds transfer (for Shareholders who have provided Golden Circle's Share Registry with their bank account details). The amount of the cheque or electronic funds transfer provided to each Scheme Shareholder will be equal to the number of Shares held by that Scheme Shareholder at the Record Date multiplied by the Scheme Consideration. In the case of Scheme Shares held in joint names, cheques will be payable and forwarded to or a deposit made in the name of the holder whose name appears first in the Golden Circle Share Register as at the Record Date.

#### **(e) Reconstitution of the Board**

Immediately after the Implementation Date but subject to the Scheme Consideration having been paid in full to Scheme Shareholders, Heinz will cause the Golden Circle Board to be reconstituted with persons nominated by Heinz which gives those persons acting together control of the Golden Circle Board and control of each subsidiary of Golden Circle.

#### **(f) Delisting of Golden Circle**

At a time determined by Heinz following the implementation of the Scheme, Heinz will cause Golden Circle to apply for the termination of the official quotation of Golden Circle Shares on the NSX and to be removed from the official list of the NSX. It is currently expected that this will occur on the first Business Day after the Implementation Date.

### **5.5 Determination of Scheme Shareholders**

To establish the identity of the Scheme Shareholders, dealings in Golden Circle Shares will only be recognised if:

- in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Golden Circle Share Register as the holder of the relevant Golden Circle Shares on or before the Record Date; and
- in all other cases, registrable transmission applications or transfers in respect of those dealings are received on or before the Record Date by the Golden Circle Share Registry.

Golden Circle must register any non-CHESS registrable transmission applications or transfers of Scheme Shares by, or as soon as practicable after, the Record Date.

Golden Circle will not accept for registration or recognise for any purpose any transmission application or transfer in respect of Golden Circle Shares received after the Record Date, other than a transfer to Heinz in accordance with the Scheme.

For the purpose of determining entitlements to the Scheme Consideration, Golden Circle must maintain (or procure the maintenance of) the Golden Circle Share Register in the manner set out above. The Golden Circle Share Register in this form will solely determine entitlements to the Scheme Consideration.

From the Record Date, all holding statements for Golden Circle Shares will cease to have effect as documents of title, and each entry on the Golden Circle Share Register at the Record Date will cease to have any effect other than as evidence of the entitlements of Scheme Shareholders to their Scheme Consideration entitlement.

## 6.1 Overview of Golden Circle

Golden Circle is one of Australia's largest manufacturers of fruit and vegetable products, with over 500 products including shelf stable fruit and vegetables (in cans and glass jars), fruit juices, fruit drinks, cordials, soft drinks, jams and conserves. Golden Circle is recognised as one of Australia's Top 15 supermarket umbrella brands, with an extensive range of different grocery products.

Founded in 1947 as a manufacturing facility owned by growers, Golden Circle became an unlisted public company in 1991, with approximately 850 grower Shareholders. In 2004, Golden Circle was granted an Australian Market Licence and operated its own share market in accordance with the terms of this licence. Only growers were permitted to participate in the Golden Circle market. In 2007, following a period of losses, onerous financial costs and a need for both restructuring and refinancing, Anchorage became a majority Shareholder in Golden Circle with an investment in a 35% stake, valuing 100% of the share capital of Golden Circle at \$100 million.

In order to provide liquidity and flexibility to new Shareholders, Golden Circle recently listed its 126.7 million shares on the NSX. Further information on Golden Circle is available in the Annual Report for the financial year ended 30 June 2008, which is available on the Golden Circle website at [www.goldencircle.com.au](http://www.goldencircle.com.au).

## 6.2 History

The official opening of Golden Circle was 28 October 1947, with the first pineapples coming off the production line in June 1947.

On 29 October 2007, Golden Circle Shareholders approved the implementation of a recapitalisation and refinance proposal of Golden Circle which completed on 31 October 2007. In summary, the proposal involved:

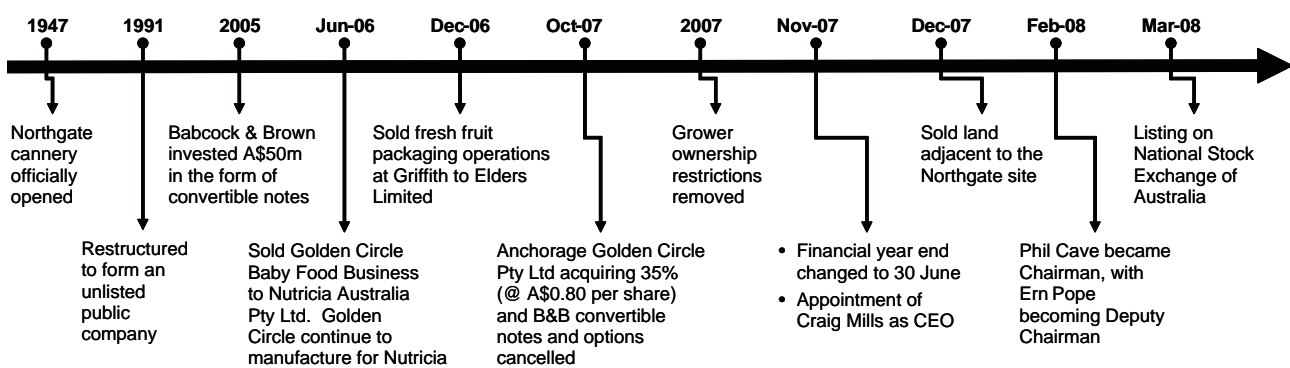
- the issue by Golden Circle of 44,356,752 ordinary shares in Golden Circle to Anchorage at an issue price of \$0.80 per share;
- the cancellation of the convertible notes and options held by certain Babcock & Brown entities; and
- the refinancing of Golden Circle with GE Capital Asset Services and Trading Asia Pacific Pty Ltd.

As part of an overall strategy to improve liquidity for Golden Circle Shareholders, Golden Circle:

- obtained the approval of its Shareholders on 7 March 2008 to adopt a new constitution; and
- undertook a compliance listing on the NSX.

Listing of Golden Circle Shares on the NSX occurred on 19 March 2008 allowing non-growers to buy and sell shares in Golden Circle on-market. As a result of the NSX listing, all trading on the licensed Golden Circle share market ceased and the licence was officially cancelled on 8 August 2008.

### Timeline



# Part B

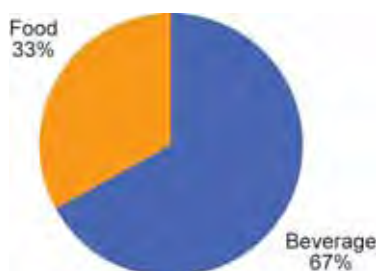
## Section 6

### Profile of Golden Circle

#### 6.3 Overview of Business

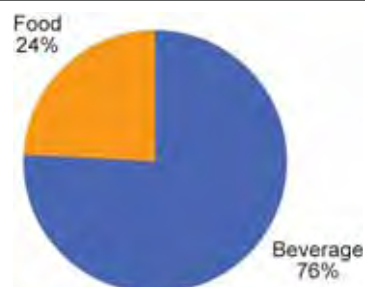
Golden Circle operations are principally divided into two segments, Beverages and Food.

##### FY08 Revenue by Segment



Source: 2008 Annual Report (18 months to June 2008)

##### FY08 EBIT by Segment



Source: 2008 Annual Report (18 months to June 2008)

##### Beverages



The beverage segment product range is broken down into both chilled and ambient beverages and includes; fruit drink, chilled juices, PET and Tetra juices, fruit based and flavoured soft drinks, cordials, premium juices and water products.

##### Food



The food segment product range includes canned fruit, canned vegetables, jam and baby food products. Until 2006, Golden Circle owned a range of baby food products that were sold to Nutricia. Golden Circle continues to manufacture for Nutricia, who licenses the use of the Golden Circle brand. This arrangement will end on 31 March 2009 when Golden Circle will resume the baby and toddler juice business and cease to manufacture for Nutricia.

#### 6.4 Brands

Recognised as one of Australia's top 15 umbrella supermarket brands, Golden Circle sells products under the following brands:

##### Golden Circle brand



Products sold under this brand include fruit juice, jam, cordial, soft drink and vegetable products

##### Original Juice Company brand



Products sold under this brand are predominately fruit juices under the sub-brand "Original", "Black label", "Classic", "Adam's Ale" and "Juiceman"

##### Popper Juice brand



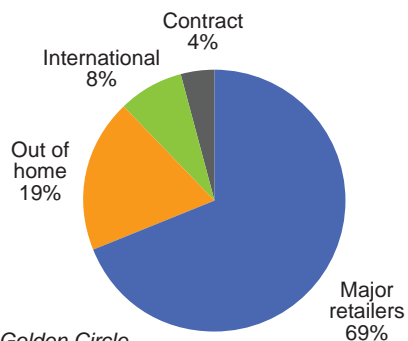
Golden Circle sells a range of fruit juices under the "Popper Juice" brand



#### 6.5 Customer base

Domestic Australian markets account for around 90% of Golden Circle sales, with the majority of Australian sales occurring in Melbourne, Sydney and Brisbane. Around 69% of Golden Circle's product sales are sold through major retail chains, including supermarkets and independent stores.

##### Customer base



Source: Golden Circle

- **Major retailers (69% of revenue)**

These include Woolworths (51%), Coles (31%), Metcash (13%) and a number of Independents.

- **Out of home (route and food service) (19% of revenue)**

These include convenience and takeaway outlets, restaurants, schools, hospitals, hotels and fast food chains, to name a few. To service this network Golden Circle uses an extensive distribution network comprising 67 franchisees and a number of distributors.

- **International (8% of revenue)**

Golden Circle exports to over 20 countries, including New Zealand, Japan, Singapore, Hong Kong, China, Korea, New Caledonia, Fiji and other Asia Pacific regions. Golden Circle sells in overseas markets through all of the major food distribution channels, being Grocery (including department stores, supermarkets, independent retailers and convenience stores), Foodservice (including hotels, restaurants and airlines) and Route and Industrial. In some instances Golden Circle also utilises intermediaries such as in-market distributors and Australian-based export merchants.

- **Contract (4% of revenue)**

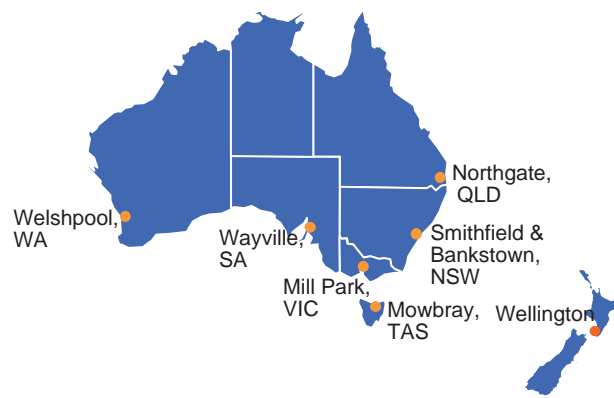
Golden Circle also provides both ingredients for other food processors and contract

manufacturing services and/or distribution for third parties.

Golden Circle's top two customers account of 57% of sales, with the top ten customers accounting for 77% of sales.

#### 6.6 Golden Circle manufacturing and sales locations

##### Locations



Golden Circle began operations in Brisbane's northern suburbs of Northgate in 1947 and now has operations Australia wide with manufacturing plants located in Queensland and Victoria.

The Northgate manufacturing factory in Queensland comprises three manufacturing facilities;

- the canned foods facility prepares and packs food (mostly pineapple and beetroot) through continuous rotary cooking lines;
- the beverages facility produces shelf stable drinks, fruit juices, cordials and soft drinks in tetrapack, plastic and can containers; and
- the food hall facility consists of one line that predominately produces baby food and jams into glass jars and cans.

In 2002, Golden Circle acquired the Original Juice Co. plant at Mill Park on Melbourne's northern outskirts, which Golden Circle continues to use as a manufacturing and distribution plant for chilled and fresh juice.

# Part B

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### Profile of Golden Circle

#### 6.7 Financial Performance

- (a) Income statement for the six months ended 30 June 2008 and financial years ended 31 December 2007 and 2006

| <b>A\$000</b>  | <b>6 months to<br/>30 June 08</b> | <b>12 months to<br/>December 2007</b> | <b>12 months to<br/>December 2006</b> |
|--|-----------------------------------|---------------------------------------|---------------------------------------|
| <b>Revenue from continuing operations</b>                          | 174,557                           | 383,973                               | 368,076                               |
| Cost of sales  | (120,423)                         | (265,029)                             | (274,376)                             |
| <b>Gross profit</b>  | <b>54,134</b>                     | <b>118,944</b>                        | <b>93,700</b>                         |
| Other income   | 109                               | 21,099                                | 110                                   |
| Significant transactions   | (378)                             | (5,932)                               | 9,415                                 |
| <b>Other expenses from continuing operations</b>                   |                                   |                                       |                                       |
| Corporate and administration                                       | (11,275)                          | (22,145)                              | (21,421)                              |
| Marketing and selling  | (26,486)                          | (51,352)                              | (51,274)                              |
| Warehouse and distribution   | (16,393)                          | (31,557)                              | (29,501)                              |
| <b>Profit/(loss) before interest and related income tax</b>        | <b>(289)</b>                      | <b>29,057</b>                         | <b>1,029</b>                          |
| Finance costs  | (3,606)                           | (11,163)                              | (9,315)                               |
| Investment fee on convertible notes                                |                                   | (4,071)                               | (7,655)                               |
| <b>Profit/(loss) from continuing operations before related tax</b> | <b>(3,895)</b>                    | <b>13,823</b>                         | <b>(15,941)</b>                       |
| Income tax attributable to ongoing operations                      | 1,898                             | (2,399)                               | (597)                                 |
| <b>Profit/(loss) from continuing operations</b>                    | <b>(1,997)</b>                    | <b>11,424</b>                         | <b>(16,538)</b>                       |
| Loss from discontinued operations                                  |                                   |                                       | (1,307)                               |
| <b>Net profit/(loss) attributable to members of Golden Circle</b>  | <b>(1,997)</b>                    | <b>11,424</b>                         | <b>(17,845)</b>                       |

## Part B

### Section 6

#### Profile of Golden Circle

#### (b) Balance sheet as at 30 June 2008 and 31 December 2007 and 2006

| A\$000                               | As at<br>30 June 2008 | As at<br>31 December<br>2007 | As at<br>31 December<br>2006 |
|--------------------------------------|-----------------------|------------------------------|------------------------------|
| <b>Current assets</b>                |                       |                              |                              |
| Cash and equivalents                 | 20,120                | 8,497                        | 5,394                        |
| Trade receivables and other debtors  | 59,634                | 89,747                       | 78,567                       |
| Inventories                          | 91,530                | 75,728                       | 69,654                       |
| Current tax assets                   | 8                     | 0                            | 149                          |
| Derivative financial assets          | 174                   | 0                            | 13                           |
| Other                                |                       | 3,280                        | 2,140                        |
| <b>Total current assets</b>          | <b>171,466</b>        | <b>177,252</b>               | <b>155,917</b>               |
| <b>Non-current assets</b>            |                       |                              |                              |
| Property, plant and equipment        | 110,163               | 112,487                      | 129,146                      |
| Investments                          | 13                    | 20                           | 28                           |
| Deferred tax assets                  | 68                    | 78                           | 81                           |
| Intangible assets                    | 17,502                | 17,655                       | 17,507                       |
| <b>Total non-current assets</b>      | <b>127,746</b>        | <b>130,240</b>               | <b>146,762</b>               |
| <b>Total assets</b>                  | <b>299,212</b>        | <b>307,492</b>               | <b>302,679</b>               |
| <b>Current liabilities</b>           |                       |                              |                              |
| Trade and other payables             | 55,198                | 54,384                       | 57,637                       |
| Borrowings                           | 44,226                | 11,448                       | 19,089                       |
| Derivative financial liabilities     | 412                   | 251                          | 363                          |
| Current tax liabilities              | 0                     | 18                           | 0                            |
| Provisions                           | 10,285                | 10,011                       | 12,755                       |
| Other liabilities                    | 1,788                 | 1,797                        | 2,017                        |
| <b>Total current liabilities</b>     | <b>111,909</b>        | <b>77,909</b>                | <b>91,861</b>                |
| <b>Non-current liabilities</b>       |                       |                              |                              |
| Borrowings                           | 33,110                | 70,509                       | 48,977                       |
| Convertible notes                    | 0                     | 0                            | 50,185                       |
| Deferred tax liabilities             | 0                     | 4                            | 0                            |
| Provisions                           | 895                   | 808                          | 880                          |
| Other liabilities                    | 2,947                 | 3,976                        | 5,716                        |
| <b>Total non-current liabilities</b> | <b>36,952</b>         | <b>75,297</b>                | <b>105,758</b>               |
| <b>Total liabilities</b>             | <b>148,861</b>        | <b>153,206</b>               | <b>197,619</b>               |
| <b>Net assets</b>                    | <b>150,351</b>        | <b>154,286</b>               | <b>105,060</b>               |
| <b>Equity</b>                        |                       |                              |                              |
| Parent entity interest               |                       |                              |                              |
| Contributed equity                   | 38,758                | 38,758                       | 3,272                        |
| Reserves                             | 52,912                | 49,027                       | 54,292                       |
| Retained profits                     | 58,681                | 66,501                       | 47,496                       |
| <b>Total equity</b>                  | <b>150,351</b>        | <b>154,286</b>               | <b>105,060</b>               |

## Part B

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#### Profile of Golden Circle

**(c) Statement of cash flows for the six months ended 30 June 2008 and financial years ended 31 December 2007 and 2006**

| <b>A\$000</b>  | <b>6 months to<br/>30 June 2008</b> | <b>12 months to<br/>31 December<br/>2007</b> | <b>12 months to<br/>31 December<br/>2006</b> |
|--|-------------------------------------|--|--|
| <b>Cash flows from operating activities</b>                  |                                     |  |  |
| Receipts from customers (including GST)                      | 203,461                             | 394,774                                      | 404,440                                      |
| Payments to suppliers and employees (including GST)          | (190,079)                           | (377,731)                                    | (375,007)                                    |
| Interest received  | 298                                 | 255  | 356  |
| Interest paid  | (3,606)                             | (28,526)                                     | (7,733)                                      |
| Income taxes paid  | (36)                                | (21)   | (815)  |
| Net cash inflow/(outflow) from operating activities          | <b>10,038</b>                       | <b>(11,249)</b>                              | <b>21,241</b>                                |
| <b>Cash flows from investing activities</b>                  |                                     |  |  |
| Payments for property, plant and equipment                   | (3,791)                             | (4,292)                                      | (10,386)                                     |
| Payments for intangibles                                     | 0                                   | (424)  | (368)  |
| Proceeds from sale of discontinued operations                | 0                                   | 0  | 3,134  |
| Proceeds from property, plant and equipment                  | 9,990                               | 19,683                                       | 115  |
| Proceeds from sale of investments                            | 7                                   | 8  | 0  |
| Net cash inflow/outflow from investing activities            | <b>6,206</b>                        | <b>14,975</b>                                | <b>(7,505)</b>                               |
| <b>Cash flows from financing activities</b>                  |                                     |  |  |
| Proceeds from borrowings                                     | (10,133)                            | 105,019                                      | 0  |
| Repayment of borrowings                                      | 5,512                               | (141,128)                                    | (10,471)                                     |
| Proceeds from issue of shares                                | 0                                   | 35,486                                       | 0  |
| Net cash inflow/outflow from financing activities            | (4,621)                             | (623)  | (10,471)                                     |
| Net increase/(decrease) in cash and cash equivalents         | <b>11,623</b>                       | <b>3,103</b>                                 | <b>3,265</b>                                 |
| Cash and cash equivalents at the beginning of the period     | 8,497                               | 5,394  | 2,129  |
| Cash and cash equivalents at the end of the financial period | 20,120                              | 8,497  | 5,394  |

**(d) Management discussion on financial performance**

The results for the twelve months ended 31 December 2007 included the profit on the sale of Northgate assets of \$21.0 million and the restructure costs and other one off items of \$5.9 million.

The results for the twelve months ended 31 December 2006 included the sale of the baby food business to Nutricia Australia of \$9.4 million and the discontinuation of the Griffith Operation (loss \$1.3 million).

Golden Circle implemented a rationalisation plan in May 2007 with benefits being recognised from July of that year. The refinancing occurred on 31 October 2007 which has reduced debt levels and lowered interest costs.

The results for six months to 30 June 2008 and the twelve months to 31 December 2007 include the results of initiatives implemented during the rationalisation plan including increasing prices, reducing produced input costs, rationalising overhead structures and improving manufacturing efficiencies.

The initiatives undertaken as part of the rationalisation plan enabled Golden Circle to hold other expenses at the previous years level, offsetting inflationary pressures from rising input costs including material costs, wages and fuel. The benefits arising from these initiatives provided support in counteracting the costs of competing in an increasingly competitive retail environment. The strength of private label continues to grow as does the on shelf activity required to support the Golden Circle products with pricing and promotional activity.

The loss for the six months to 30 June 2008 demonstrates the impact of seasonality on Golden Circle's profitability. Sales in the half year January to June are historically lower than in July to December however Golden Circle's operating expenses remains reasonably constant through out the year. This resulted in a loss for the six months to 30 June 2008 but an improvement over same period last year of \$5.4 million.

#### **Expected Future Performance**

The budgeted financial performance for the year ending 30 June 2009 is based upon assumptions about future events and actions which may or may not occur. The nature of budget means they are inherently uncertain and subject to variation for a range of reasons, many of which are outside the control of Golden Circle's directors. Because events do not always occur as anticipated the budget may differ from the actual financial performance which is actually achieved for the year ending 30 June 2009.

A profit before interest and related income tax is budgeted to be approximately \$25.5 million for the year ended 30 June 2009 compared to the \$13.9 million (normalised) reported for the 12 months to 30 June 2008. Underlying this is a budgeted EBITDA performance of \$37.2 million. Within a tolerance range of 20%, your Directors believe that this level of growth of earnings is achievable.

Since completion of the above budget, economic conditions have changed placing pressure on the budget's achievement. During this year it is anticipated that Golden Circle will continue to recover rising input costs with price increases passed on to customers. A key focus for the business is growth through innovation and the management team has been restructured to better support and strengthen this area of the business. The new product innovations and an expansion into non-retail channels will support future sales growth. A business integration program has also commenced, designed to improve our sales and operations planning, deliver a better service to the customer and at the same time improve our inventory management.

The organisation remains in turn around mode, and moving forward will continue with containment or reduction of overhead costs wherever possible. Golden Circle is also progressing with the next tier of improvements and has introduced a Back 2 Basics program, heavily focussed on gaining factory efficiencies i.e. improving throughputs and eliminating waste.

#### **(e) Financial information contained within this Section**

The financial information in this Section is a summary only prepared for the purpose of this Explanatory Booklet and should be read in conjunction with the Golden Circle's annual reports which are available on Golden Circle's website [www.goldencircle.com.au](http://www.goldencircle.com.au) or under the NSX announcements platform (NSX code: GCO) on [www.nsx.com.au](http://www.nsx.com.au).

Alternatively, Golden Circle Shareholders may contact Golden Circle for copies of Golden Circle's published annual reports free of charge. The Independent Expert's Report contained in Part C, Section 1 of this Explanatory Booklet contains further financial information about Golden Circle.

## Part B

### Section 6

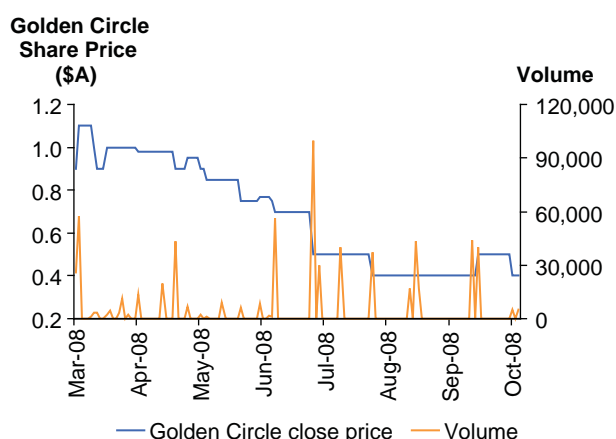
#### Profile of Golden Circle

#### 6.8 Recent share price performance

Since listing on the NSX on 19 March 2008, Golden Circle's share price has traded with an average weekly volume of approximately 22,850 shares. The VWAP for period 19 March 2008 to 3 October 2008 is \$0.65 per share.

The chart below sets out the daily closing price of Golden Circle shares on the NSX from 19 March 2008 to 3 October 2008.

#### Share Price Performance



#### 6.9 Golden Circle's Board of Directors

##### Phillip Cave (Chairman, Non-Executive Director)

Mr Cave has a twenty-year track record of successful turnaround investments, commencing in the 1980s with investments in Sunbeam Victa and Wormald Ltd, through his listed vehicle Reil Corporation and more recently through Interbank Capital Partners. Prior to embarking on his investment turnaround path Mr Cave was an Executive Director of Hill Samuel and Macquarie Bank. Mr Cave is the current Chairman of Interbank Capital Partners Pty Ltd, Anchorage Capital Partners Pty Ltd, Atlas Group Holdings Limited, The Northcott Society and Director of Belaroma Coffee Pty Ltd.

##### Ernest Pope (Deputy Chairman, Non-Executive Director)

Mr Pope retired from Nestle in 2005 after 38 years in the food industry, during which time he held various senior local and international roles, including Managing Director of Nestle Australia, President of Nestle Purina-Asia, Oceania, Africa and the Middle East region. His other current Non-

Executive Directorships are with Amcor Ltd and Alesco Corporation Ltd.

##### Chris Riordan (Non-Executive Director)

Mr Riordan is a practising lawyer with the firm Riordan & Riordan. He was Chairman of SPC Ltd until 2002 and is a Director of a number of companies, including: Radio Rentals Ltd, Riordan & Riordan Pty Ltd and Future Capital Development Fund Limited.

##### Michael Briggs (Non-Executive Director)

Mr Briggs has extensive turnaround management experience through 12 years of management consulting, focusing on performance improvement and 9 years of private equity investment in turnaround opportunities. He has substantial Board experience and is currently a Director of Antec Engineering Pty Ltd, Anchorage Capital Partners Pty Ltd and The Northcott Society.

##### Lindsay Fullerton (Non-Executive Director)

Mr Fullerton grows pineapples and macadamias at Glass House Mountains, where his family has farmed since 1914. He has a diploma in Horticulture and a Bachelor of Agricultural Science and is Director of Fullerton Farms Pty Ltd and R. Fullerton & Sons Pty Ltd. He has extensive background on grower representative committees at both State and Federal level.

##### Eldo Di Pasquale (Non-Executive Director)

Mr Di Pasquale is a second generation pineapple grower from Beerwah. He has legal qualifications gained through the Solicitors' Board and has practised in Brisbane for several years before returning to the family farm.

##### Peter Voight (Non-Executive Director)

Mr Voight is a third generation beetroot farmer from the Lockyer Valley, where his family has supplied Golden Circle since it began processing beetroot. He has considerable experience in production and marketing combined with human resource management.

#### Marketable securities held by Directors

Information regarding marketable securities of Golden Circle held by or on behalf of the Directors and any interests in contracts or agreements held by Golden Circle Directors in connection with the

Heinz Proposal are detailed in Part B, Section 8 of this Explanatory Booklet.

## 6.10 Golden Circle's issued securities

### (a) Ordinary shares

As at the date of this Explanatory Booklet, Golden Circle had on issue 126,733,576 Shares.

All Shares are quoted on the NSX. As at close of trading on 7 October 2008, the 20 largest Shareholders, including Australian institutional investors, held approximately 58.8% of Golden Circle Shares (74,525,542 Shares).

| Shareholder name   | Balance at<br>7 October 2008 | % of Golden Circle<br>Shares |
|--|------------------------------|------------------------------|
| Anchorage Golden Circle Pty Ltd*   | 44,356,752                   | 35.000                       |
| Australia Fluorine Chemicals Pty Ltd   | 4,968,948                    | 3.921                        |
| Fullerton Farms Pty Ltd**  | 4,897,656                    | 3.865                        |
| Mr Donald Ross McClintock  | 2,304,027                    | 1.818                        |
| Mr Kenneth Elliott Buchanan & Mrs Elizabeth Joy Buchanan & Mr James Malcolm Buchanan | 2,199,479                    | 1.736                        |
| Mr Eldo Nedo Di Pasquale & Mrs Terry Ann Di Pasquale***                              | 1,626,148                    | 1.283                        |
| Ian Neil Fullerton & Cheryl Lynette Fullerton  | 1,376,289                    | 1.086                        |
| Gary Richard Pike & Kathryn Patricia Pike  | 1,372,193                    | 1.083                        |
| John P Forster & Gillian B Forster   | 1,337,994                    | 1.056                        |
| Ms Leigh Henzell   | 1,253,412                    | 0.989                        |
| Mr Michael Joseph Cruice & Mrs Pauline Anne Cruice                                   | 1,077,738                    | 0.850                        |
| Ronald Walter French & Alan James French & Robyn Norma French                        | 1,002,996                    | 0.791                        |
| Martin Curtis & Stacy Curtis   | 943,056                      | 0.744                        |
| Mr Leo Stanley McCarthy & Mrs Louise Mary McCarthy                                   | 924,408                      | 0.729                        |
| Stan W Tincknell & Lynda E Tincknell   | 835,664                      | 0.659                        |
| Marobe Pty Ltd   | 829,170                      | 0.654                        |
| Mr David Geoffrey Harris & Mrs Lynette Karen Harris                                  | 816,183                      | 0.644                        |
| Gowinta Farms Pty Ltd  | 808,359                      | 0.638                        |
| Ronals George Embrey & Sue M Embrey & Willian John Embrey                            | 804,861                      | 0.635                        |
| S & B Moffat Farms Pty Ltd   | 790,209                      | 0.624                        |
|  | <b>74,525,542</b>            | <b>58.805</b>                |

\*Phillip Cave and Michael Briggs (directors of Golden Circle) are each directors of Anchorage.

\*\*Lindsay Fullerton (director of Golden Circle) is a director and shareholder of Fullerton Farms Pty Ltd.

\*\*\*Eldo Nedo Di Pasquale is a director of Golden Circle.



## Part B

### Section 6

#### Profile of Golden Circle

##### **(b) Options**

Golden Circle Optionholders are not involved in, and are therefore not bound or prejudiced by, the Scheme. However, Golden Circle is currently negotiating an arrangement with the Optionholders which would become effective if the Scheme is approved and implemented. Those arrangements will affect Heinz and not the Shareholders.

The Board of Golden Circle may at any time amend all or any of the provisions of the LTIP and the terms and conditions of an offer under the LTIP subject to the consent of 75% of all participants under the LTIP if the amendment would prejudicially affect the rights of participants.

Golden Circle has on issue 4,900,000 Options. The Options entitle the holder to acquire, by way of issue, a like number of Golden Circle Shares at an exercise price of \$0.80 per Option. Golden Circle Options were granted to senior managers on 31 July 2008 and 25 September 2008 under the Long Term Incentive Plan approved by Golden Circle Shareholders on 7 March 2008. Prior to the announcement of the Heinz Proposal, Golden Circle had agreed to issue a further 800,000 Options to senior managers.

The arrangements being negotiated between Golden Circle and the Optionholders are to the effect set out below.

The LTIP will be amended to specifically state that on the occurrence of Heinz acquiring 100% of the shares in Golden Circle pursuant to this Scheme, the Options and any Options agreed to be issued, will be dealt with in accordance with agreed principles between Golden Circle and Heinz. In summary, the agreed principles involve the amendment to the LTIP on or before the Implementation Date which will replace the entitlement to a cash payment under the existing rules of the LTIP, with the cash payment of a bonus in accordance with the agreed principles. The amount and receipt of the cash bonus is conditional on the business conducted by the Golden Circle Group achieving certain EBITDA financial targets for the 10 months ending 30 April 2009 as set out in the agreed principles. Some of these financial targets exceed the budgeted EBITDA for the year ending 30 June 2009. Within a tolerance range of 20%, your Directors believe that the level of growth of earnings in the budgeted EBITDA for the year ending 30 June 2009 is achievable. The minimum amount payable by Heinz to each Optionholder is \$0.40 (with the maximum being \$1.00) for each Option currently held or agreed to be issued. The bonus payment will be made on 1 July 2009 when (if the Scheme becomes Effective) Golden Circle will be a wholly owned subsidiary of Heinz.

Based on the number of Options on issue and agreed to be issued, Heinz will be required to pay Optionholders an aggregate amount in the range of \$2.28 million to \$5.70 million (depending on the performance of the Golden Circle Group as at 30 April 2009).

If the Heinz Proposal is not implemented, the existing arrangements in respect of the Options will remain in place as approved by Shareholders on 7 March 2008.

##### **6.11 Further information**

As a company listed on the NSX and a “disclosing entity” under the Corporations Act, Golden Circle is subject to regular reporting and disclosure obligations which require it to announce price-sensitive information as soon as it becomes aware of that information. Golden Circle’s most recent announcements are available on the NSX’s website.

The NSX maintain files containing publicly available information about entities listed on its exchange. Golden Circle’s files are available for review on its website at [www.nsx.com.au](http://www.nsx.com.au).

Golden Circle is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Golden Circle may be obtained, or inspected, at ASIC offices.

#### 7.1 Overview of H.J. Heinz Company Australia

H.J. Heinz Company Australia Limited (Heinz) began manufacturing its products in Australia in 1935 and today is, one of Australia's largest food manufacturers. Heinz has three manufacturing facilities. These are located in Girgarre and Echuca, Victoria and in Wagga Wagga, New South Wales. In the financial year ended April 2008, Heinz had sales revenue in excess of A\$700 million.

Heinz is a wholly-owned subsidiary of H.J. Heinz Company, a multi-national food company headquartered in Pittsburgh, Pennsylvania, United States of America. H.J. Heinz Company is listed on the New York Stock Exchange and has a market capitalisation of approximately US\$15 billion. Globally, H.J. Heinz Company employs more than 32,500 people with operations in more than 150 countries. In the financial year ended April 2008, H.J. Heinz Company had sales revenue in excess of US\$10 billion.

Under the banner, "Good Food Everyday", the Heinz product portfolio spans tomato sauces, canned meat, baked beans, jams, toppings, infant nutrition, soups, tuna and frozen foods. Heinz's brand portfolio includes Heinz, Greenseas, Weight Watchers, Hamper, Cottee's (jelly and jams only) and Rose (jams only). Heinz manufactures and distributes its products to supermarkets, route and foodservice customers.

Heinz is led in Australia by Managing Director, Peter Widdows. The corporate values of Heinz are based on two principles; namely, being an active and responsible member in its community and being a 'Great Place to Work'. Heinz participates in a number of community programs and employs more than 600 people in Australia.

#### 7.2 Rationale for the acquisition of Golden Circle

Heinz has a reputation for providing nutritious foods and continues to invest in its product portfolio which is well-positioned to benefit from the shift towards health and wellness food products.

Heinz believes Golden Circle's products across beverages and food would complement its existing portfolio, with similar consumer positioning and appeal. Heinz recognises the strength of the Golden Circle and Original Juice brands and considers that these brands would be an excellent complementary fit with the Heinz brand.

Heinz believes Golden Circle's products would benefit substantially from:

- a combined product offering to customers that would encompass a wide variety of everyday consumer food and beverage goods under iconic brands; and
- the global innovation and marketing 'know-how' of H.J. Heinz Company.

## Part B

### Section 7

#### Information from Heinz

### 7.3 Post acquisition intentions of Heinz

This Section sets out Heinz's intentions in relation to:

- the continuation of Golden Circle's business;
- any major changes to Golden Circle's business and any redeployment of Golden Circle's fixed assets; and
- the future employment of Golden Circle's present employees,

if Heinz acquires all of the Golden Circle Shares on issue through the approval and implementation of the Scheme.

These statements of intention are based on the information concerning the Golden Circle Group, its business and the general business environment which is known to Heinz at the date of this Explanatory Booklet, which is limited to publicly available information, as well as certain limited non-public information provided by Golden Circle to Heinz as part of a due diligence review.

Final decisions in relation to these matters will only be reached after Heinz has completed the general review outlined in Section 7.3(a) and in light of all material facts, information and circumstances at that time. Accordingly, the statements set out in this Section 7.3 are statements of current intention only which may change as new information becomes available or circumstances change.

#### (a) General Review

Heinz intends to conduct a review of all aspects of Golden Circle's business including its operations, assets, structure and employees to evaluate performance, profitability and prospects. This review will apply quantitative and qualitative factors to measure performance and identify areas for improvement. Following this review, Heinz expects to formulate a broad business strategy to be adopted by Golden Circle going forward.

#### (b) Continuation of business

Golden Circle's business currently comprises the manufacturing, processing, packaging, distribution and sale of food and beverages including fruit, vegetable, juice and cordial products. Golden Circle also has a large base of grower suppliers which form an integral part of Golden Circle's business.

Heinz currently intends to continue to operate Golden Circle's business in substantially the same manner as it is currently being conducted.

Specifically, Heinz's current intention is to continue to operate each of Golden Circle's manufacturing facilities at Northgate in Brisbane and Mill Park in Melbourne. Heinz also recognises the importance of Golden Circle's grower suppliers and intends to strengthen the relationship with suppliers as it grows the business.

#### (c) Management and employees

As an integral component of the general review referred to in Section 7.3(a), Heinz will undertake an assessment of the existing structure and composition of the management team. While no plans have been made, there is the potential for change amongst the management team arising as a result of this assessment. Heinz may look to augment the existing senior management team with experienced executives in a variety of roles, to facilitate the strategy for Golden Circle adopted as a result of the general review. It is expected that broader Heinz opportunities may become available for existing Golden Circle employees.

Heinz views Golden Circle's workforce as an important asset of its business and believes that Golden Circle employees will benefit from:

- the application of Heinz's business and human resources systems; and
- the advantages that are expected to flow from Golden Circle having access to additional capital and being part of a larger enterprise.

If the Scheme becomes Effective, it is likely that the elimination of duplicated functions across the combined Heinz and Golden Circle businesses will result in some positions becoming redundant. It would be Heinz's intention to endeavour to identify suitable alternative roles for affected Golden Circle employees. However, this may not be feasible in all cases. In those circumstances, the relevant Golden Circle employees would receive redundancy payments and other benefits in accordance with their contractual and other legal entitlements. Heinz is not in a position at this time to determine how many Golden Circle employees may be affected in this way, nor the full nature and timing of any such redundancies. Heinz will not be in that position until it has conducted the review referred to in Section 7.3(a).

#### (d) Other corporate matters

Following the Implementation Date of the Scheme, it is intended that Heinz will:

- arrange for Golden Circle to be removed from the official list of NSX; and

- replace all of the non-executive directors of the Golden Circle Board (including any directorships held by them in Golden Circle's subsidiaries) with Heinz's own nominees.

#### 7.4 Heinz's funding arrangements

Although the Heinz Proposal is not subject to any financing condition, this Section 7.4 outlines how Heinz intends to finance the payment of the Scheme Consideration.

To implement the Heinz Proposal, Heinz will need to fund the payment of the Scheme Consideration (approximately \$209 million) to Golden Circle Shareholders under the Scheme. Heinz will also seek to refinance Golden Circle's existing financing facilities. The total value of the Scheme Consideration and the outstanding balance of Golden Circle's existing financing facilities is expected to be approximately \$288 million at the time of implementation of the Scheme.

Heinz intends to fund the payment of the Scheme Consideration and refinancing costs using a combination of internal cash resources and debt finance available to Heinz and H.J. Heinz Company. The total amount of internal cash resources and debt finance available to Heinz and H.J. Heinz Company is sufficient to pay the Scheme Consideration and refinancing costs, and associated transaction expenses.

Heinz and H.J. Heinz Company have received a binding commitment letter from nabCapital (a division of National Australia Bank Limited) to provide an A\$300 million facility for the Heinz Proposal (Commitment Letter and NAB Facility respectively). The Commitment Letter provides that the NAB Facility will be made available subject to various conditions precedent, events of default and termination rights and will require Heinz to provide certain representations and warranties. Heinz considers that these terms are customary for facilities of this kind. As at the date of this Explanatory Booklet, Heinz is not aware of:

- any reason why any of the conditions precedent to the NAB Facility, as referred to in the Commitment Letter, would not be satisfied in time to facilitate full payment of the Scheme Consideration as and when it is due under the terms of the Scheme;
- any circumstances that would lead to an event of default, as referred to in the Commitment Letter, or which would otherwise give nabCapital a right to withdraw its commitment to provide the NAB Facility; or

- any circumstances that would lead to a breach of a representation or warranty required to be given by Heinz under the NAB Facility.

#### 7.5 Information on Golden Circle securities

##### (a) Heinz's interest in Golden Circle Shares

As at the date of this Explanatory Booklet, Heinz and its associates do not have a relevant interest in any Golden Circle Shares.

Accordingly, as at the date of this Explanatory Booklet, Heinz does not have any voting power in Golden Circle.

##### (b) Acquisitions of Golden Circle Shares by Heinz and their associates

In the four months prior to the date of this Explanatory Booklet, neither Heinz nor any of its associates have provided, or agreed to provide, consideration for Golden Circle Shares under a purchase or agreement.

##### (c) Prices paid for Golden Circle Shares

In the four months prior to the date of this Explanatory Booklet, neither Heinz nor any of its associates have paid any price or consideration for Golden Circle Shares.

##### (d) Pre-Scheme Benefits

In the four months prior to the date of this Explanatory Booklet, neither Heinz nor any of its associates have provided any benefit, or agreed to provide any benefit, to a person to induce them to vote in favour of the Heinz Proposal or to dispose of their Golden Circle Shares, other than the agreement under the Deed Poll to pay the Scheme Consideration under the Scheme if it becomes Effective.

#### 7.6 FIRB approval

The Foreign Acquisition and Takeovers Act 1975 (Cth) (FATA) regulates, amongst other things, the acquisition of shares in certain Australian companies where the acquisition results in a foreign entity controlling the corporation or a change in the identity of the foreign controllers of the corporation.

The Heinz Proposal is conditional on the Treasurer of the Commonwealth of Australia:

- advising Heinz in writing that there is no objection under the Australian Federal Government's foreign investment policy or

## Part B

### Section 7

#### Information from Heinz

under the FATA to the acquisition of Golden Circle Shares by Heinz; or

- becoming precluded from making an order under FATA in respect of the Heinz Proposal.

Heinz lodged an application with FIRB on 6 October 2008. Heinz will keep Golden Circle informed on the status of its FIRB application so that Golden Circle will be in a position to update its shareholders at the Scheme Meeting on whether the FIRB condition has been satisfied.

## Part B

### Section 8

#### Additional statutory information

#### 8.1 Introduction

This Part B, Section 8 sets out the statutory information required by section 412(1)(a) of the Corporations Act and Part 3 of Schedule 8 to the Corporations Regulations 2001 (Cth) to be included in the Explanatory Booklet, but only to the extent that this information is not otherwise disclosed in other Sections. This Section also includes additional information that your Directors consider material to a decision on how to vote on the resolution to be considered at the Scheme Meeting.

In this Section, the terms 'associate', 'marketable securities', 'related body corporate' and 'subsidiary' have the meanings given to them in the Corporations Act. The term 'executive officer' is assumed to mean 'senior manager' as defined in the Corporations Act including the Company Secretary.

#### 8.2 Substantial holders and Optionholders

Based on notices filed with Golden Circle and the NSX under Chapter 6C of the Corporations Act, the persons who have a substantial holding (as that term is defined in section 9 of the Corporations Act) in Golden Circle as at 7 October 2008 were as follows:

| Substantial holder              | Number of Golden Circle Shares held | % of total number of issued Golden Circle Shares held |
|---------------------------------|-------------------------------------|---|
| Anchorage Golden Circle Pty Ltd | 44,356,752                          | 35  |

The Golden Circle Options on issue are held by the following persons:

| Optionholder    | Number of Golden Circle Options held (direct and indirect) |
|-----------------|--|
| Craig Mills     | 1,200,000  |
| Kerrie Parker   | 800,000  |
| Steve Cowan     | 800,000  |
| Geoff Sawyer    | 800,000  |
| Janelle Leonard | 450,000  |
| Darryn Hammond  | 450,000  |
| Nance Quick     | 200,000*   |
| John Howard     | 200,000*   |
| <b>TOTAL</b>    | <b>4,900,000*</b>  |

\*Golden Circle had agreed to issue a further 400,000 Options to both Nance Quick and John Howard prior to the announcement of the Heinz Proposal.

#### 8.3 Directors

The Board consists of the following Directors:

| Director's name     | Position                                |
|---------------------|---|
| Phillip Cave        | Chairman, Non-Executive Director        |
| Ernest Pope         | Deputy-Chairman, Non-Executive Director |
| Christopher Riordan | Non-Executive Director                  |
| Michael Briggs      | Non-Executive Director                  |
| Lindsay Fullerton   | Non-Executive Director                  |
| Eldo Di Pasquale    | Non-Executive Director                  |
| Peter Voight        | Non-Executive Director                  |



## Part B

### Section 8

#### Additional statutory information

#### 8.4 Marketable Securities of Golden Circle held by or on behalf of Directors

As at 7 October 2008, the number of Golden Circle Shares and Golden Circle Options held by or on behalf of each of the Directors is as follows:

| Director            | Number of Golden Circle Shares held by or on behalf of the Director | Number of Golden Circle Options held by or on behalf of the Director |
|---------------------|---|--|
| Phillip Cave        | 44,356,752*   | Nil  |
| Ernest Pope         | 473,000   | Nil  |
| Christopher Riordan | 240,000   | Nil  |
| Michael Briggs      | 44,356,752*   | Nil  |
| Lindsay Fullerton   | 5,541,785   | Nil  |
| Eldo Di Pasquale    | 1,955,818   | Nil  |
| Peter Voight        | 219,542   | Nil  |

\*This parcel of Shares is registered in the name of Anchorage. Phillip Cave and Michael Briggs are each directors of Anchorage.

Each Director intends to vote all Golden Circle Shares held by him or on his behalf as listed in the table above in favour of the Scheme, in the absence of a Superior Proposal.

#### 8.5 Relevant interests in marketable securities of Heinz

No Director nor any of his associates has any relevant interest in, or in any marketable security issued by, Heinz or any of its respective related bodies corporate.

#### 8.6 Directors' interests in any contracts with Heinz

No Director nor any of his associates has entered into, or otherwise has any interest in, any contract with Heinz or any of its respective associates.

#### 8.7 Directors' interests in agreements connected with or conditional on the Heinz Proposal

No Director has an interest in any agreement or arrangement connected with or conditional on the outcome of the Heinz Proposal.

#### 8.8 Retirement benefits

No payment or other benefit is proposed to be made or given in connection with the Heinz Proposal to any Director, secretary or executive officer of Golden Circle, or of any related body corporate of Golden Circle, as compensation for loss of, or as consideration for, or in connection with, his or her retirement from office in Golden Circle or in a related body corporate.

#### 8.9 Material changes in the financial position of Golden Circle

So far as is known to any Director, except as disclosed in this Explanatory Booklet or as otherwise disclosed to the NSX by Golden Circle, the financial position of Golden Circle has not materially changed since the date of its final report for the year ended 30 June 2008, as lodged with the NSX on 12 September 2008.

Other than the Heinz Proposal, there are no significant changes to the nature of Golden Circle's activities as at the date of this Explanatory Booklet.

#### 8.10 Directors' intentions regarding the business, assets and employees of Golden Circle

If the Scheme is approved and implemented, the existing Golden Circle Board will be reconstituted in accordance with the instructions of Heinz as the only Shareholder of Golden Circle after the Implementation Date. Accordingly, it is not possible for your Directors to provide a statement of their intentions regarding:

- the continuation of the business of Golden Circle or how Golden Circle's existing business will be conducted;
- any major changes to be made to the business of Golden Circle, including any redeployment of the fixed assets of Golden Circle; or
- the future employment of the present employees of Golden Circle,

in each case, after the Heinz Proposal is implemented.



If the Heinz Proposal is approved and implemented, Heinz will have 100% ownership of Golden Circle's issued Shares and will control Golden Circle, and your Directors have been advised that the intentions of Heinz are as set out in Part B, Section 7 of this Explanatory Booklet.

#### 8.11 Recent Golden Circle share price trading

Please refer to section 4.6 of the Independent Expert's Report for information regarding the prices and volumes at which Golden Circle Shares traded on the NSX since Golden Circle listed on 19 March 2008.

#### 8.12 No unacceptable circumstances

The Golden Circle Board believes that the Scheme does not involve any circumstances in relation to the affairs of Golden Circle that could reasonably be characterised as constituting unacceptable circumstances for the purposes of section 657A of the Corporations Act.

#### 8.13 Consents and disclaimers

The following parties have given and have not, before the time of registration of this Explanatory Booklet by ASIC, withdrawn their written consent to be named in this Explanatory Booklet in the form and context in which they are named:

- Minter Ellison as corporate legal advisers to Golden Circle;
- ABN AMRO as financial adviser to Golden Circle;
- Ernst & Young Transaction Advisory Services Limited as the Independent Expert and to the inclusion of the Independent Expert's Report set out in Part C, Section 1 of this Explanatory Booklet;
- PricewaterhouseCoopers as tax adviser to Golden Circle; and
- Heinz (in respect of the Heinz Information);
- Registries Limited as the Golden Circle Share Registry; and
- McCullough Robertson as Golden Circle's nominated adviser to the NSX.

Each of the above persons:

- does not make, or purport to make, any statement in this Explanatory Booklet or any statement on which a statement in this Explanatory Booklet is based other than, in the

case of Ernst & Young Transaction Advisory Services Limited and PricewaterhouseCoopers, a statement or report included in this Explanatory Booklet with the consent of that party;

- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Explanatory Booklet, other than a reference to its name and, in the case of Ernst & Young Transaction Advisory Services Limited, any statement or report which has been included in this Explanatory Booklet with the consent of that party; and
- except Heinz, does not assume any responsibility for the accuracy or completeness of the Heinz Information. The Heinz Information has been prepared by and is the responsibility of Heinz.

#### 8.14 Independent advice

Golden Circle Shareholders should consult their legal, financial, taxation or other professional adviser if they have any queries regarding:

- the Scheme;
- the taxation implications for them if the Scheme is implemented;
- your Directors' recommendations and intentions in relation to the Scheme, as set out in Part A, Section 2 of this Explanatory Booklet; or
- any other aspects of this Explanatory Booklet.

#### 8.15 Other material information

Except as set out in this Explanatory Booklet, in the opinion of the Golden Circle Board, there is no other information material to the making of a decision in relation to the Scheme, being information that is within the knowledge of any Director or of any related body corporate of Golden Circle which has not been previously disclosed to Golden Circle Shareholders.

Golden Circle will issue a supplementary document to this Explanatory Booklet if it becomes aware of any of the following between the date of lodgement of this Explanatory Booklet for registration by ASIC and the Effective Date:

- a material statement in this Explanatory Booklet is false or misleading in a material respect;
- a material omission from this Explanatory Booklet;

## Part B

### Section 8

#### Additional statutory information

- a significant change affecting a matter included in this Explanatory Booklet; or
- a significant new matter has arisen and it would have been required to be included in this Explanatory Booklet if it had arisen before the date of lodgement of this Explanatory Booklet for registration by ASIC.

Depending on the nature and timing of the changed circumstances and subject to obtaining any relevant approvals, Golden Circle may circulate and publish any supplementary document by:

- making an announcement to the NSX; and/or
- placing an advertisement in a prominently published newspaper which is circulated generally throughout Australia; and/or
- posting the supplementary document to Golden Circle Shareholders at their registered address as shown in the Golden Circle Share Register; and/or
- posting a statement on the Golden Circle corporate website,

as Golden Circle in its absolute discretion considers appropriate.

#### 8.16 Privacy

Golden Circle may collect personal information in the process of implementing the Scheme. Such information may include the name and contact details and security holding of Golden Circle Shareholders, and the name of persons appointed by Golden Circle Shareholders to act as proxy, corporate representative or attorney at the Scheme Meeting. The primary purpose of collection of the personal information is to assist Golden Circle in the conduct of the Scheme Meeting and to enable the Scheme to be implemented by Golden Circle in the manner described in this Explanatory Booklet. Without this information, Golden Circle may be hindered in its ability to carry out these purposes to full effect. The collection of certain personal information is authorised by the Corporations Act.

Personal information may be disclosed to the Golden Circle Share Registry, print and mail service providers, authorised securities brokers and to related bodies corporate of Golden Circle and the parties to the Implementation Agreement.

Golden Circle Shareholders have certain rights to access personal information that has been collected. Golden Circle Shareholders should

contact Golden Circle's Company Secretary in the first instance, if they wish to request access to their personal information.

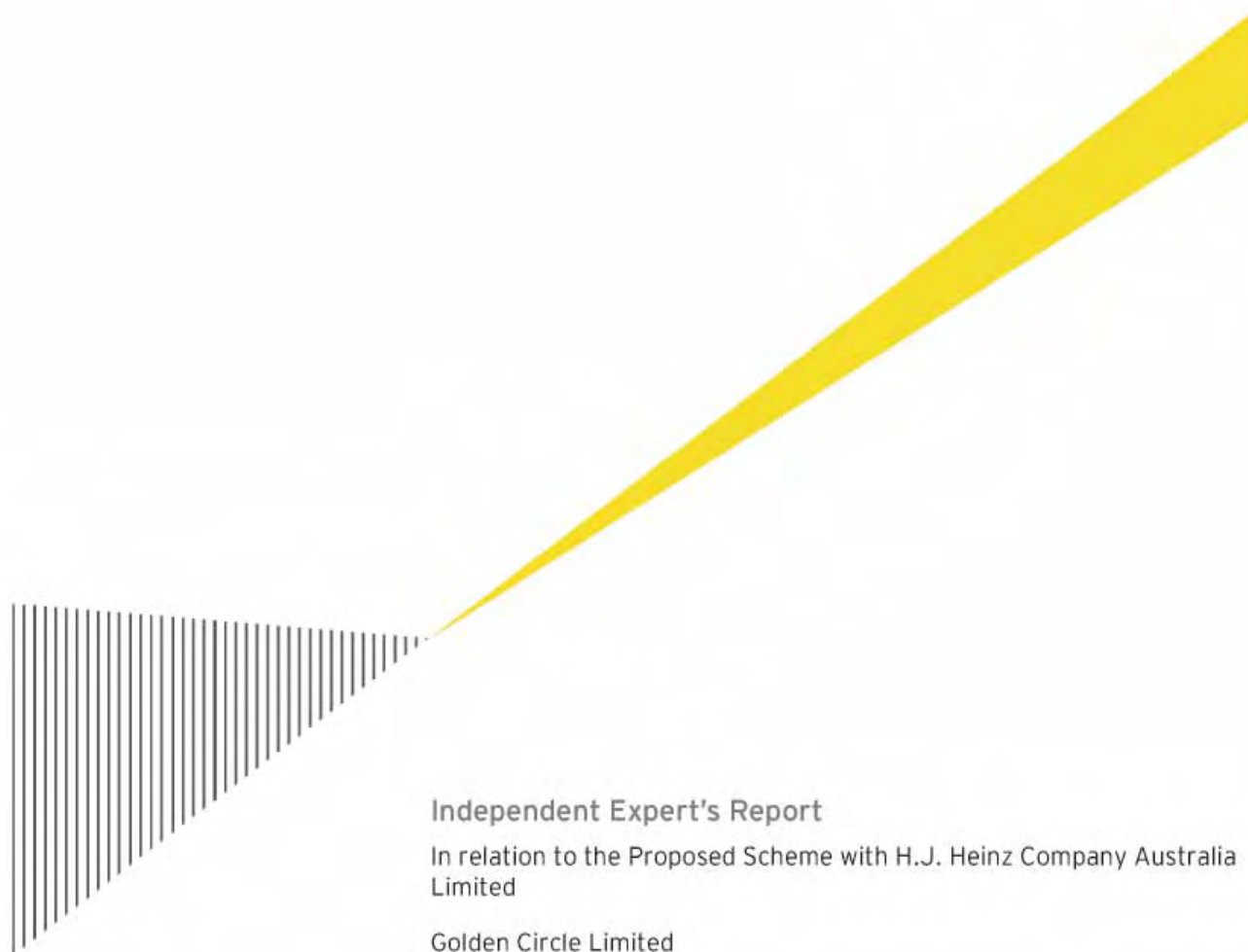
# Part C

## Additional Material and Documents

# Part C

## Section 1

### Independent Expert's Report



#### Independent Expert's Report

In relation to the Proposed Scheme with H.J. Heinz Company Australia Limited

Golden Circle Limited

23 October 2008

**ERNST & YOUNG**



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## Part 1: INDEPENDENT EXPERT'S REPORT

The Directors  
**Golden Circle Limited**  
260 Earnshaw Road  
NORTHGATE QLD 4013

Dear Directors

### Independent Expert's Report in relation to the Proposed Scheme of Arrangement with H.J. Heinz Company Australia Limited

#### Introduction and Purpose of Report

On 6 October 2008, Golden Circle Limited ("Golden Circle" or the "Company") announced that it had signed an agreement with H.J. Heinz Company Australia Limited ("Heinz") under which it proposed that Heinz will acquire 100% of the issued shares in Golden Circle by way of a Scheme of Arrangement ("the Proposed Scheme"). The Directors of Golden Circle have appointed Ernst & Young Transaction Advisory Services Limited ("Ernst & Young Transaction Advisory Services") to prepare an independent expert's report ("Independent Expert's Report or Report") in relation to the Proposed Scheme.

This Report is prepared pursuant to Section 411 of the *Corporations Act 2001* (the "Corporations Act") and Schedule 8, Part 3 of the *Corporations Regulations 2001* (*Cith*) ("Corporations Regulations") in relation to reconstructions and schemes of arrangement. We have also had reference to Australian Securities and Investments Commissions ("ASIC") Regulatory Guide 111 *Content of expert reports* ("RG 111") and ASIC Regulatory Guide 112 *Independence of Experts* in preparing our Report.

#### The Proposed Scheme

An overview of the Proposed Scheme is outlined below. The overview is only that and should not be regarded as a complete description of the Proposed Scheme. A more detailed discussion of the Proposed Scheme is outlined in the Explanatory Booklet. This letter should be read in conjunction with the Independent Expert's Report that is attached, and is to assist Shareholders make an informed decision about the Proposed Scheme.

On 6 October 2008, Golden Circle announced that it had signed an agreement with Heinz under which it proposed that Heinz will acquire all of the Golden Circle shares on issue for \$1.65 cash per share by way of the Proposed Scheme between Golden Circle and its Shareholders.

If the Proposed Scheme is approved by Golden Circle Shareholders and by the Court, and if all other necessary approvals and conditions for the Proposed Scheme are satisfied, Golden Circle will become a wholly-owned subsidiary of Heinz and will be delisted from the National Stock Exchange of Australia ("NSX").

The Directors of Golden Circle have indicated their unanimous recommendation in favour of the Proposed Scheme. The aforementioned Directors intend to vote their shares in favour of the Proposed Scheme, in the absence of a superior proposal.



# Part C

## Section 1

### Independent Expert's Report

We have been informed that at the time of this Report, Heinz and its associates hold no interest in Golden Circle.

The Directors of Golden Circle will issue an Explanatory Booklet to the Shareholders of Golden Circle, which will include their recommendation as to whether the Proposed Scheme should or should not be approved by Golden Circle Shareholders. This Independent Expert's Report has been prepared solely for the purpose of assisting the Shareholders in considering the Proposed Scheme. This Report is to be included with Golden Circle's Explanatory Booklet to be sent to Golden Circle Shareholders.

#### Summary and Opinion

We have determined the value of the Golden Circle share and have compared this to the value of the consideration being offered by Heinz. As the value of the consideration falls above the range of values that we have ascribed to the Golden Circle shares being acquired, we consider the terms of the Proposed Scheme to be fair.

Under the guidance provided by ASIC Regulatory Guide 111, as we consider the terms to be fair, we also consider them to be reasonable. As we are able to conclude that the terms of the Proposed Scheme are fair and reasonable, we also consider them to be in the best interests of the Shareholders.

In forming our opinion, Ernst & Young Transaction Advisory Services has considered the factors as set out in the attached Independent Expert's Report. This opinion should be read in conjunction with our detailed Independent Expert's Report which sets out our scope and findings.

#### Other Matters

This Independent Expert's Report constitutes general financial product advice only and has been prepared without taking into account the individual circumstances of Golden Circle Shareholders. Golden Circle Shareholders should consider the advice in the context of their own circumstances and preferences. Golden Circle Shareholders should also have regard to the Explanatory Booklet in relation to the Proposed Scheme.

Ernst & Young Transaction Advisory Services has prepared a Financial Services Guide in accordance with the Corporations Act. The Financial Services Guide is included as Part 2 of this Report.

The decision whether to accept the Proposed Scheme is a matter for individual Shareholders to consider having regard to factors such as value expected, future market conditions, investment objectives, risk profile, liquidity preferences and portfolio strategy. Shareholders who are in doubt as to the impact of the Proposed Scheme on their personal circumstances should consult their own professional adviser.

Yours faithfully  
Ernst & Young Transaction Advisory Services Limited



Grant Murdoch  
Director and Representative



Cathy Montesin  
Representative

Attachment: Part 1 - Independent Expert's Report  
Part 2 - Financial Services Guide



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# Part C

## Section 1

### Independent Expert's Report

## Glossary

| Term  | Meaning  |
|---|--|
| Anchorage                                   | Anchorage Golden Circle Pty Ltd  |
| Army Land                                   | Ex-army storage depot land located at 260 Earnshaw Road, Northgate QLD                       |
| ASIC  | Australian Securities and Investments Commission   |
| Buderim Ginger                              | Buderim Ginger Limited   |
| CCA   | Coca-Cola Amatil Limited   |
| Corporations Act                            | Corporations Act 2001  |
| DCF   | Discounted Cash Flow   |
| EBIT  | Earnings before interest and taxation  |
| EBITDA                                      | Earnings before interest, taxation, depreciation and amortisation                            |
| Ernst & Young Transaction Advisory Services | Ernst & Young Transaction Advisory Services Limited ABN 87 003 599 844                       |
| Explanatory Booklet                         | Explanatory Booklet dated 31 October 2008  |
| FFI   | FFI Holdings Limited   |
| FMCG  | Fast Moving Consumer Goods   |
| FSG   | Financial Services Guide   |
| FY0XA                                       | Actual results for the financial year ended 30 June 200X                                     |
| FY0XB                                       | Budgeted results for the financial year ending 30 June 200X                                  |
| GE Capital                                  | GE Capital Asset Services and Trading Asia Pacific Pty Ltd ACN 078 961 118                   |
| Golden Circle Shareholders                  | All Shareholders of Golden Circle  |
| Golden Circle, GCL or the Company           | Golden Circle Limited ACN 054 355 618  |
| Goodman Fielder                             | Goodman Fielder Limited  |
| Grower(s)                                   | Has the meaning given in the Constitution  |
| Heinz                                       | H.J. Heinz Company Australia Limited   |
| Incl  | Including  |
| Implementation Agreement                    | Implementation Agreement dated 6 October 2008  |
| Independent Expert's Report or Report       | This Independent Expert's Report prepared by Ernst & Young Transaction Advisory Services     |
| Management                                  | The management team of Golden Circle Limited   |
| Northgate                                   | Golden Circle's operations located at Northgate, Queensland                                  |
| Northgate Assets                            | Various assets including former Army Land and other operational assets located at Northgate. |
| NPAT  | Net Profit after Tax   |
| NPBT  | Net Profit before Tax  |
| NSX   | National Stock Exchange of Australia   |
| Na  | Not available  |
| Nutricia                                    | Nutricia Australia Pty Ltd   |
| OJC   | Original Juice Company   |
| PP&E  | Property, plant and equipment  |
| Proposed Scheme                             | The proposal from Heinz to acquire Golden Circle by Scheme of Arrangement                    |
| RG  | ASIC Regulatory Guide  |
| Scheme of Arrangement                       | Scheme of Arrangement in accordance with Section 411 of the Corporations Act                 |
| Select Harvest                              | Select Harvests Limited  |
| WACC  | Weighted Average Cost of Capital   |
| WDV   | Written down value   |
| \$  | All monetary values stated in Australian Dollars, unless otherwise stated                    |

## 1. Outline of the Proposed Scheme

### 1.1 Overview

An overview of the Proposed Scheme is outlined below. The overview is only that and should not be regarded as a complete description of the Proposed Scheme. A more detailed discussion of the Proposed Scheme is outlined in the Explanatory Booklet. The Explanatory Booklet should be read in full in conjunction with this Report to allow Shareholders to make an informed decision about the Proposed Scheme.

On 6 October 2008, Golden Circle announced that it had signed an agreement with Heinz under which it proposed that Heinz will acquire all of the Golden Circle shares on issue for \$1.65 cash per share by way of the Proposed Scheme between Golden Circle and its Shareholders.

The Explanatory Booklet indicates that Golden Circle's major Shareholder, Anchorage intends to vote in favour of the Proposed Scheme in the absence of a superior proposal.

If the Proposed Scheme is approved by Golden Circle Shareholders and by the Court, and if all other necessary approvals and conditions for the Proposed Scheme are satisfied, Golden Circle will become a wholly-owned subsidiary of Heinz and will be delisted from the NSX.

The Directors of Golden Circle have indicated their unanimous recommendation in favour of the Proposed Scheme. The aforementioned Directors intend to vote their shares in favour of the Proposed Scheme, in the absence of a superior proposal.

### 1.2 Conditions of the Proposed Scheme

Implementation of the Proposed Scheme is subject to a number of conditions being satisfied or waived as outlined in the Implementation Agreement. These are summarised as follows:

- ▶ Certain regulatory approvals including but not limited to ASIC, NSX, Foreign Investment Review Board and other regulatory bodies as detailed in the Implementation Agreement;
- ▶ No material adverse change in the Golden Circle business. The Explanatory Booklet defines the material adverse change as an event or circumstance that is announced or becomes known to the Golden Circle Board before 8am on the Second Court Date and:
  - ▶ the event or circumstance 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 Golden Circle as at 30 June 2008 as disclosed in the FY08A statutory accounts by an amount of \$16.5 million or more; or
  - ▶ the event or circumstance 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 Golden Circle for the financial year ending 30 June 2009 is reduced by 20% or more of the budgeted EBITDA for that period;
- ▶ No prescribed occurrences in relation to either Golden Circle and Heinz as further detailed in the Implementation Agreement;
- ▶ No change of Golden Circle Board recommendation with regard to changing, qualifying or withdrawing their unanimous recommendation to vote in favour of the Proposed Scheme;
- ▶ Golden Circle and Heinz warranties remaining true and correct;
- ▶ Golden Circle Shareholder approval of the Proposed Scheme at the Scheme Meeting by the majorities required under Section 411(4)(a)(ii) of the Corporations Act;

# Part C

## Section 1

### Independent Expert's Report

- ▶ Court approval of the Proposed Scheme in accordance with Section 411(4)(b) of the Corporations Act; and
- ▶ GE Capital Asset Services and Trading Asia Pacific Pty Ltd ("GE Capital") written consent to the implementation of the Proposed Scheme and all applicable transactions contemplated by the Proposed Scheme either without conditions or requirements or with conditions and requirements acceptable to Golden Circle and Heinz.



## 2. Scope of the Report

### 2.1 Purpose of this Independent Expert's Report

Section 411 of the Corporations Act regulates schemes of arrangement between companies and their security holders. Part 3 of Schedule 8 to the Corporations Regulations prescribes the information to be sent to the security holders in relation to schemes of arrangement pursuant to Section 411 of the Corporations Act. Specifically, Part 3 of Schedule 8 to the Corporations Regulations requires an Independent Expert's Report be prepared in relation to a Scheme when a party to that Scheme has a prescribed shareholding in the company subject to the Scheme, or where any Directors are also Directors of the company subject to the Scheme.

Schedule 8 requires that an Independent Expert's Report must state whether, in the opinion of the independent expert, the scheme of arrangement is "in the best interests" of members and should set out the reasons for forming that opinion.

As there are no common directors between Heinz and Golden Circle, nor does Heinz hold at least 30% of the shares in Golden Circle, we note that there is no legal requirement for Golden Circle to commission an Independent Expert's Report in respect of the Proposed Scheme outlined within the Explanatory Booklet. However, the Directors of Golden Circle have requested that an Independent Expert's Report be prepared to assist Golden Circle Shareholders in assessing the merits of the Proposed Scheme. We have prepared this Independent Expert's Report as if it were required under Section 411 of the Corporations Act.

Ernst & Young Transaction Advisory Services has not been requested to, and accordingly has not provided an opinion to the option holders of Golden Circle.

### 2.2 Meaning of "in the best interests" basis of evaluation

Schemes of arrangement pursuant to Section 411 of the Corporations Act can encompass a wide range of transactions.

There is no legal definition of the expression "in the best interest". ASIC has issued Regulatory Guide 111 *Content of expert reports*, which provides some guidance as to how "in the best interests" should be interpreted in a range of circumstances.

RG 111 paragraphs 15 to 20 deals with "Control Transactions by Way of a Scheme of Arrangement" and indicates that "Schemes of arrangement can be used as an alternative to a Chapter 6 takeover bid to achieve substantially the same outcome. In these circumstances, we expect the form of analysis to be substantially the same as for a takeover bid, even though the wording of the opinion will also be whether the proposed scheme is 'in the best interests of the members of the company'. This reflects that the legislative test for schemes of arrangement differs from that applicable to a Chapter 6 takeover bid."

Subject to our comments above, in our view the proposed acquisition by Heinz of the issued shares of Golden Circle represents a control transaction as intended under RG 111 and therefore RG 111 paragraphs 15 to 20 are relevant for the purposes of our Report.

RG 111 paragraph 17 indicates that "if an expert would conclude that a proposal was 'fair and reasonable' if it was in the form of a takeover bid, it will also be able to conclude that the scheme is in the best interests of the members of the company."

The meaning of "fair and reasonable" in the context of takeover bids is outlined in RG 111 paragraphs 9 to 14. This guidance makes it clear that, in the context of a takeover bid, "fair" and "reasonable" are two distinct concepts. Under this approach:

- ▶ An offer is "fair" if the value of the offer price or consideration is equal to or greater than the value of the securities that are the subject of the offer. The comparison is to be made assuming 100% ownership of the target and it is "inappropriate to apply a discount on the basis that the shares being acquired represent a minority or 'portfolio' parcel of shares."
- ▶ An offer is "reasonable" if it is fair. It might also be "reasonable" if, despite being "not fair" the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the close of the offer.

RG 111 paragraph 12 lists a number of items which experts may consider when assessing the reasonableness of an offer. We have considered these in the preparation of this Independent Expert's Report.

In light of the above, we have considered:

- ▶ Whether the value of a Golden Circle share (on a control basis) is higher or lower than the \$1.65 cash consideration;
- ▶ Whether a premium for control is being offered, and whether this is appropriate in the circumstances;
- ▶ The value of the Golden Circle shares being disposed of under the Proposed Scheme;
- ▶ Other commercial and qualitative factors relevant to Golden Circle Shareholders;
- ▶ The likelihood of an alternative superior offer being made to Golden Circle Shareholders; and
- ▶ The alternatives available to Golden Circle Shareholders.

In accordance with the ASIC guidance we analysed the Proposed Scheme in the context of whether it is fair and reasonable. If the Proposed Scheme is considered fair and reasonable to the Shareholders then the Proposed Scheme will be in the best interests of the Shareholders.

Also, in accordance with the ASIC guidelines, despite an offer not being fair or an independent expert not being able to reliably determine the fair value of a company, it is still possible for the offer to be reasonable when considering other commercial and qualitative factors relevant to the Shareholders and it is still open to an independent expert to conclude that an offer is in the best interest of Shareholders.

All amounts in this Report are expressed in Australian dollars (\$) unless otherwise stated.

## 2.3 Limitations and Reliance

We have considered a number of sources of information in preparing the Independent Expert's Report and arriving at our opinion. These sources of information are detailed in Appendix A.

Our opinion is based on economic, market and other conditions prevailing at the date of this Independent Expert's Report. These conditions can change significantly over relatively short periods of time.



This Independent Expert's Report is also based upon financial and other information provided by Golden Circle in relation to the Proposed Scheme. Ernst & Young Transaction Advisory Services has considered and relied upon this information. The information provided to Ernst & Young Transaction Advisory Services has been evaluated through analysis, enquiry and review for the purposes of forming an opinion as to whether the Proposed Scheme is in the best interests of the Shareholders. However, Ernst & Young Transaction Advisory Services does not warrant that its enquiries have identified all of the matters that an audit, an extensive examination or 'due diligence' and/or tax investigation might disclose.

Preparation of this Independent Expert's Report does not imply that Ernst & Young Transaction Advisory Services has, in any way, audited the accounts or records of Golden Circle. It is understood that the accounting information that was provided was prepared in accordance with generally accepted accounting principles and including Australian equivalents to International Financial Reporting Standards as applicable.

In forming our opinion Ernst & Young Transaction Advisory Services has also assumed that:

- ▶ Matters such as title, compliance with laws and regulations and contracts in place are in good standing and will remain so and that there are no material legal proceedings, other than as publicly disclosed;
- ▶ The information set out in the Explanatory Booklet and accompanying documents sent by Golden Circle Shareholders is complete, accurate and fairly presented in all material respects;
- ▶ The publicly available information relied upon by Ernst & Young Transaction Advisory Services in its analysis was accurate and not misleading;
- ▶ The Proposed Scheme will be implemented in accordance with the terms; and
- ▶ The legal mechanisms to implement the Proposed Scheme are correct and will be effective.

To the extent that there are legal issues relating to assets, properties or business interests or issues relating to compliance with applicable laws, regulations and policies, Ernst & Young Transaction Advisory Services assumes no responsibility and offers no legal opinion or interpretation on any issue.

The statements and opinions given in this Independent Expert's Report are given in good faith and in the belief that such statements and opinions are not false or misleading.

Ernst & Young Transaction Advisory Services provided draft copies of this Independent Expert's Report to the Directors and Management of Golden Circle for their comments as to factual accuracy, as opposed to opinions, which are the responsibility of Ernst & Young Transaction Advisory Services alone. Changes made to this Independent Expert's Report as a result of this review by the Directors and Management of Golden Circle have not changed the methodology or conclusions reached by Ernst & Young Transaction Advisory Services.

## 3. Overview of the Food Processing and Manufacturing Industries

### 3.1 Overview

The Food Processing and Manufacturing Industries consist of a large number of market segments, and many of the larger food processors participate in more than one segment. Golden Circle participates in three key industry segments, namely:

- ▶ Fruit and vegetable processing;
- ▶ Fruit juice manufacturing; and
- ▶ Soft drink manufacturing.

### 3.2 Fruit and vegetable processing<sup>1</sup>

The fruit and vegetable processing segment covers the manufacturing of canned, bottled, preserved, quick frozen or dried fruit and vegetable products. Industry turnover in this sector during 2007-08 is estimated to be \$5.4 billion. The output of the fruit and vegetable processors can be classified into two primary segments: fruit products and vegetable products. Current industry figures estimate that the processing of fruit products accounts for two thirds of industry revenue with its main output fruit juice, accounting for almost half of industry revenue.

Canned/bottled fruit and preservatives are the next major products of the industry, representing 11% and 6% of industry turnover respectively. IBISWorld forecasts that in 2009, the Fruit & Vegetable Processing Industry will achieve revenue of \$5.5 billion, which will represent a revenue increase of 2.1%. Exports represent approximately 15.8% of industry turnover with imports representing some 23% of industry turnover.

Key participants in this segment include:

- ▶ Kirin Foods Australia Holdings Pty Limited;
- ▶ Simplot Australia Pty Limited (major brand Edgell-Birdseye);
- ▶ Heinz Wattle's Limited (major brand: Heinz);
- ▶ Golden Circle Limited (major brand: Golden Circle); and
- ▶ Coca-Cola Amatil Limited (major brands: SPC, Goulburn Valley, IXL and Ardmona).

These five main players represent over half of the total fruit and vegetable processing's industry revenue.

The industry has been a major beneficiary of rising public concern about nutrition, as consumers are increasingly seeking ways to reduce fat and sugar intake. In the future, IBISWorld expects Australian fruit and vegetable processors to become more active in marketing flagship brands that make health-associated claims. IBISWorld forecasts that in 2008-09, the fruit and vegetable processing industry will achieve revenue of \$5.5 billion, which represents an industry revenue increase of 2.1%.

### 3.3 Fruit juice manufacturing<sup>2</sup>

The fruit juice manufacturing sector is comprised of entities that process, blend and package their own fruit juice products for the consumer market. Products of this sector may be labeled juice, nectar, fruit juice drink or freshly squeezed juice. In 2008 the industry turnover is estimated to be \$1.4 billion, which is a 7.7% increase on the previous year.

The industry can be broken into two key segments: chilled (40%) and ambient drinks (60%). Ambient juices are 'shelf stable' and have been gaining increased market share due to the increasing costs for chilled (freshly squeezed) juices. Fruit juice in both segments have been losing market share to pure juice, due to increasing health awareness amongst consumers.

<sup>1</sup> IBISWorld Industry report 06 June 2008: Fruit and Vegetable Processing in Australia: C2130

<sup>2</sup> IBISWorld Industry Report 18 July 2008: Fruit Juice Drink Manufacturing in Australia: C2187

IBISWorld forecasts that over the five years to 2012-13, the Fruit Juice Drink Manufacturing industry revenue will increase at an average annual rate of 4.3%, to \$1.8 billion.

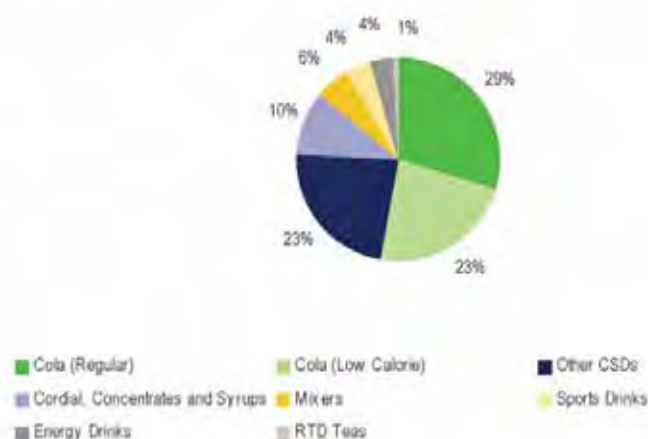
Key participants in this segment include:

- ▶ Kirin Foods Australia Holdings Pty Limited (major brand: Berri);
- ▶ Golden Circle Limited (major brands: Golden Circle and Original Juice Company);
- ▶ P&N Beverages Australia Pty Limited (major brands: P&N Juice, LA Ice and Pub Squash); and
- ▶ Coca-Cola Amatil Limited (major brands: Goulburn Valley, Crusta and Fruitbox).

Industry concentration has been increasing gradually over the current period, with larger beverage companies acquiring successful smaller producers.

### 3.4 Soft drink manufacturing<sup>3</sup>

The soft drink manufacturing segment covers the manufacturing of a wide variety of products, comprised mostly of bottled soft drinks (carbonated and non-carbonated), cordials and syrups. Excluded are establishments in manufacturing bottled water, fruit juice, alcoholic beverages or milk drinks. Set out below is a graphical representation of the product split within the soft drink manufacturing industry:



Industry turnover for this sector during 2008 is estimated to be approximately \$2.5 billion, a 3% increase from the previous year. Key trends in this sector have largely mirrored trends in other food processing sectors with a trend towards health-focused products, innovative packaging and convenience orientated beverages. Most of the products manufactured by this industry are sold to wholesalers, which include grocery and specialist confectionary and soft drink wholesalers. IBISWorld forecasts that in the five years to 2012-13, industry sales revenue will increase at an average annual rate of 2.5% to \$2.8 billion.

Key participants in this segment include:

- ▶ Coca-Cola Amatil Limited (major brands: Coca-Cola, Sprite, Fanta and Kirks); and
- ▶ Cadbury Schweppes Australia Limited (major brands: Pepsi, 7-Up, Solo, Mountain Dew and Cottrees).

<sup>3</sup> IBISWorld Industry report 30 June 2008: Soft Drink Manufacturing in Australia: C2185

### 3.5 Key success factors

The following factors are considered important for Australian branded consumer food manufacturers in the context of the current industry conditions:

- ▶ *Control of distribution arrangements* - benefits include ability to ensure costs are managed and to maximise product exposure;
- ▶ *Supply contracts in place for key inputs* - access to reliable supply sources and quality fruits;
- ▶ *Diversified product range* - enabling high capacity utilisation to enhance profitability, rather than reliance on seasonal operation only;
- ▶ *Product innovation and differentiation* - to meet changing consumer preferences, particularly in the areas of health and convenience; and
- ▶ *Ability to adapt to new technology* - enhancing productivity and product quality.



## 4. Profile of Golden Circle

### 4.1 Overview of Golden Circle

Golden Circle listed on the NSX on 19 March 2008. Since its origins as a pineapple cannery, established in 1947, Golden Circle has grown to become a producer of a wide variety of other food and beverage products. Golden Circle manufactures over 500 products. Golden Circle is an Australian Fast Moving Consumer Goods ("FMCG") company, and considered one of Australia's largest manufacturers of fruit and vegetable products. Golden Circle's major products include beverages (shelf stable juices, chilled juice, cordials and carbonated soft drinks), shelf stable fruit and vegetable products and jams. We note that the Golden Circle brand is recognised as being amongst the top 15 brands on Australia's supermarket shelves.

Anchorage Capital Partners through its subsidiary Anchorage Golden Circle Pty Ltd ("Anchorage") holds a 35% interest in Golden Circle with the majority of remaining Shareholders being growers. The growers supply more than 180,000 tonnes of fruit and vegetables each year to the factory for processing.

We note that the Australian market accounts for approximately 90% of sales, with a large portion of this being derived from Melbourne, Sydney and Brisbane. The majority of Golden Circle's product sales are channeled through major retail chains, including supermarkets and independent stores. Although Australia is the principal market for Golden Circle products, the Company does also export to Japan, Singapore, Hong Kong, China, Korea, New Caledonia, Fiji and other Asia-Pacific regions.

Golden Circle's operations include the following two main operating sites:

#### Northgate, Queensland

Golden Circle's head office is based in Northgate, a suburb of Brisbane, Queensland. These premises contain Golden Circle's primary operations, with warehousing and manufacturing facilities on site. The Northgate site manufactures and distributes canned and bottled fruits and vegetables as well as shelf stable juices and drinks.

#### Mill Park, Victoria

The Mill Park site comprises a manufacturing plant and warehousing facilities located in Mill Park, Victoria. The Mill Park site manufactures and distributes chilled and fresh fruit juices.

The Business employs anywhere between 800 and 1,400 employees depending on the seasonal work requirements of the business.

### 4.2 Recent Developments

We have been advised that Golden Circle has carried out a number of recent changes to their operations. These include:

- ▶ Golden Circle commenced the implementation of a rationalisation plan during 2007. Further discussion regarding the rationalisation plan is outlined in Section 4.3 of this Report;
- ▶ Anchorage acquired 35% of Golden Circle in October 2007 including the purchase of convertible notes and options previously held by Babcock & Brown. These convertible notes and options were immediately cancelled except for conversion of one note into one ordinary share. The acquisition of shares resulted in a significant capital injection into the Company, which has assisted Golden Circle in the implementation of its rationalisation strategy;

- ▶ During FY08, Golden Circle sold surplus assets at Northgate, generating a net profit before tax of \$21 million; and
- ▶ On 19 March 2008 Golden Circle listed on the NSX.

## 4.3 Profile of business operations

### Customers

Golden Circle's top two customers account for 57% of sales, with the top ten customers accounting for 77% of sales. The high level of customer concentration is not unusual for companies selling products into the grocery channel given the strong market position of Coles and Woolworths in the sector.

### Sales by Channel

The Company sells its products through the following key channels:

- ▶ Grocery (i.e. Woolworths, Coles, Foodland, Metcash and Independents);
- ▶ Route (i.e. convenience stores, petrol service stations and takeaway outlets);
- ▶ Foodservice (i.e. restaurants, schools, hospitals, large canteens, fast food chains and hotels);
- ▶ New Zealand;
- ▶ Export;
- ▶ Contract (i.e. contract manufacturing and/or distribution for third parties); and
- ▶ Industrial (i.e. ingredients used by other food processors).

In addition, Golden Circle also operates a factory outlet store and the Circle Cafe at the Company's Northgate premises.

### Fruit and vegetable sourcing

Whilst seasonal conditions cause fluctuations in fruit supply, the intake of fruit and vegetables is in excess of 180,000 tonnes per year. The majority of fruit and vegetables are sourced from Growers.

The majority of key fruit and vegetable supply contracts are negotiated on an annual basis. Golden Circle Management has full responsibility for the negotiation of supply contracts with Growers and pricing is determined on an arms length basis subject to market forces.

The key fruit and vegetables that Golden Circle sources under contracts include pineapples, oranges, beetroot, mangos, peaches and pears. Fruit and vegetables sourced from contracted Growers are supplemented with produce from a variety of other sources including non-contracted Growers and other suppliers.

Golden Circle uses approximately 26 million litres of orange juice annually, including both concentrate and fresh juice. Approximately 55% of oranges come from Griffith area under volume based contracts. Oranges are also sourced from the Murray Valley and Riverland regions.

### Rationalisation Plan

We are advised that Golden Circle commenced with the rationalisation plan in May 2007 following the identification by Management of the following key issues:

- ▶ Apart from chilled juices, other products manufactured by Golden Circle have demonstrated limited volume growth;
- ▶ There was an immediate need for greater promotional efforts to achieve volume increases;



- ▶ The requirement for factory operating improvements to achieve efficient and economical future product manufacturing;
- ▶ Golden Circle's sales growth was insufficient to support the high fixed cost base;
- ▶ Margin protection was a key concern especially in light of the price variances of raw materials and increased pressure from private label products; and
- ▶ Golden Circle needed to demonstrate the ability to further increase prices without decreasing market share.

Management advised that the rationalisation plan was largely focused on cost reduction activities in an attempt to match future costs with top line sales growth. We understand that all of the restructuring costs have been incurred (FY08A - \$4.1 million) and there will be no further costs included in FY09B. Management now considers the fixed cost base to be reasonably stable as the cost savings from the rationalisation plan have been realised.

## 4.4 Board of Directors

The table below summarises Golden Circle's Board of Directors.

Figure 1: Golden Circle's Board of Directors

| Directors         | Position               | Responsibility  |
|-------------------|------------------------|---|
| Phillip Cave      | Non-Executive Director | - Chairman of the board<br>- Member of the Human Resources Committee              |
| Michael Briggs    | Non-Executive Director | - Chairman of the Audit & Risk Committee  |
| Ern Pope          | Non-Executive Director | - Deputy Chairman of the board<br>- Chairman of the Human Resources Committee     |
| Peter Voight      | Non-Executive Director | - Member of the Audit & Risk Committee<br>- Member of the Horticultural Committee |
| Lindsay Fullerton | Non-Executive Director | - Member of Horticultural Committee<br>- Member of the Human Resources Committee  |
| Eldo Di Pasquale  | Non-Executive Director | - Chairman of the Horticultural Committee   |
| Chris Riordan     | Non-Executive Director | - Member of the Audit & Risk Committee<br>- Member of the Horticultural Committee |

Source: Management information

We note that as at the date of the Independent Expert's Report there were no common Directors between Golden Circle and Heinz.

## 4.5 Capital Structure and Ownership

### 4.5.1 Share Ownership

As at 21 October 2008, the top 20 Shareholders of Golden Circle were as set out in the table below:

Figure 2: Top 20 Golden Circle Shareholders

|  | Number of shares<br>(’000) | Percentage of total<br>shares on issue |
|--|----------------------------|--|
| Anchorage Golden Circle Pty Ltd  | 44,357                     | 35.00%                                 |
| Australia Fluorine Chemicals Pty Ltd   | 4,969                      | 3.92%                                  |
| Fullerton Farms Pty Ltd  | 4,898                      | 3.87%                                  |
| Mr Donald Ross McClintock  | 2,304                      | 1.82%                                  |
| Mr Kenneth Elliott Buchanan & Mrs Elizabeth Joy Buchanan & Mr James Malcolm Buchanan | 2,199                      | 1.74%                                  |
| Mr Eldo Nedo Di Pasquale & Mrs Terry Ann Di Pasquale                                 | 1,626                      | 1.28%                                  |
| Ian Neil Fullerton & Cheryl Lynette Fullerton  | 1,376                      | 1.09%                                  |
| Gary Richard Pike & Kathryn Patricia Pike  | 1,372                      | 1.08%                                  |
| John P Forster & Gillian B Forster   | 1,338                      | 1.06%                                  |
| Ms Leigh Henzell   | 1,253                      | 0.99%                                  |
| Mr Michael Joseph Cruice & Mrs Pauline Anne Cruice                                   | 1,078                      | 0.85%                                  |
| Ronald Walter French & Alan James French & Robyn Norma French                        | 1,003                      | 0.79%                                  |
| Martin Curtis & Stacy Curtis   | 943                        | 0.74%                                  |
| Mr Leo Stanley McCarthy & Mrs Louise Mary McCarthy                                   | 924                        | 0.73%                                  |
| Stan W Tincknell & Lynda E Tincknell   | 836                        | 0.66%                                  |
| Marobe Pty Ltd   | 829                        | 0.65%                                  |
| Mr David Geoffrey Harris & Mrs Lynette Karen Harris                                  | 816                        | 0.64%                                  |
| Gowinta Farms Pty Ltd  | 808                        | 0.64%                                  |
| Ronald George Embrey & Sue M Embrey & William John Embrey                            | 805                        | 0.64%                                  |
| S & B Moffat Farms Pty Ltd   | 790                        | 0.62%                                  |
| <b>Total shares of top 20 shareholders</b>   | <b>74,526</b>              | <b>58.81%</b>                          |
| <b>Other shareholders</b>  | <b>52,208</b>              | <b>41.20%</b>                          |
| <b>Total shares on issue</b>   | <b>126,734</b>             | <b>100.00%</b>                         |

Source: Explanatory Booklet

Ernst & Young Transaction Advisory Services notes that Anchorage is the largest Shareholder of Golden Circle, holding 35% of the issued ordinary share capital.

Ernst & Young Transaction Advisory Services notes that the remaining 41.20% of Shareholders not within the top 20 Shareholders consists of numerous small holdings of less than 0.6%.

### Director shareholdings

Ernst & Young Transaction Advisory Services notes the number of shares in Golden Circle held during the financial period by each key management personnel, including their personally related entities, are set out below:

Figure 3: Directors including their personally related entities shareholdings

|                                | Shares ('000) | % of total shares on issue |
|--------------------------------|---------------|----------------------------|
| <b>Non-executive Directors</b> |               |                            |
| Phillip Cave                   | 44,357        | 35.00%                     |
| Michael Briggs                 | 44,357        | 35.00%                     |
| Ern Pope                       | 473           | 0.37%                      |
| Peter Voight                   | 220           | 0.17%                      |
| Lindsay Fullerton              | 5,542         | 4.37%                      |
| Eldo Di Pasquale               | 1,956         | 1.54%                      |
| Chris Riordan                  | 240           | 0.19%                      |

Source: Management information

The holdings attributed to Phillip Cave and Michael Briggs are as a result of the Anchorage Shareholding in Golden Circle. Phillip Cave and Michael Briggs are both Partners in Anchorage.

### 4.5.2 Employee Share Options

As at 31 August 2008, Golden Circle had the following employee share options on issue:

Figure 4: Golden Circle's employee share options

| Grant Date                          | Vesting Date | Expiry Date | Exercise Price (\$) | Granted          |
|-------------------------------------|--------------|-------------|---------------------|------------------|
| 31/07/2008                          | 30/06/2010   | 30/06/2015  | 0.80                | 1,600,000        |
| 31/07/2008                          | 30/06/2011   | 30/06/2016  | 0.80                | 1,450,000        |
| 31/07/2008                          | 30/06/2012   | 30/06/2017  | 0.80                | 1,450,000        |
| 25/09/2008                          | 30/06/2010   | 30/06/2015  | 0.80                | 400,000          |
| <b>Total employee share options</b> |              |             |                     | <b>4,900,000</b> |

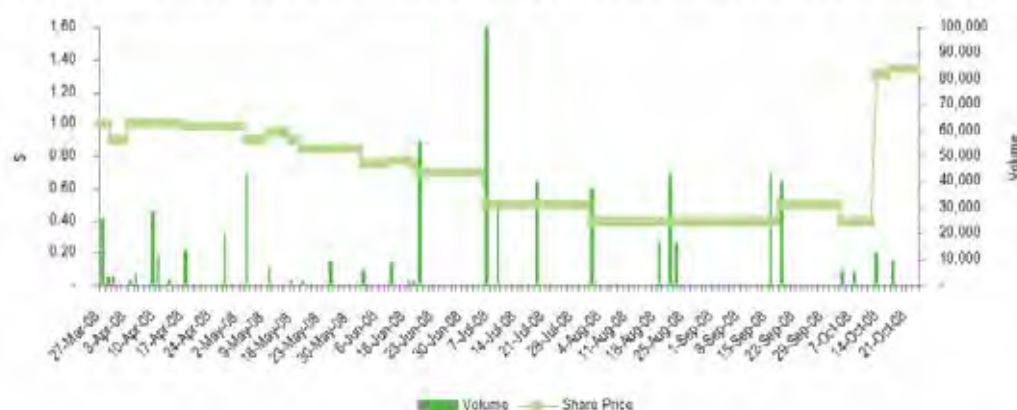
Source: Management information and Explanatory Booklet

We note there are 800,000 employee share options which have been promised to employees but at the date of this Report had not been granted.

## 4.6 Share Price History

A graph of the movements in Golden Circle's share price and trading volumes since listing in March 2008 is shown in the following table:

Golden Circle Limited - Daily Share Price and Trading Volume (25 March 2008 to 21 October 2008)



As indicated above, we note the following with regard to the share price and share volume movements:

- ▶ The share price has decreased since Golden Circle listed on the NSX.
- ▶ There have only been a small number of share trades since Golden Circle listed on the NSX.
- ▶ The share price has increased in recent weeks following the announcement of the Proposed Scheme on 6 October 2008.

## 4.7 Earnings and Financial Position

### 4.7.1 Earnings

This section of the Report details the earnings of Golden Circle for the 12 months to June 2007 and June 2008. Golden Circle changed its year end during the course of FY08 from December to June. The earnings summary set out in this Section details earnings on the June year end.

Summarised below are the actual (non-normalised) financial results for the financial years ended 30 June 2007 and 2008 as well as the budget to 30 June 2009. The FY08A results include the profit on the sale of the Northgate Assets.

Figure 5: Summarised income statements

| Currency: \$000  | FY07A    | FY08A   | FY09B  |
|--|----------|---------|--------|
| Sales  | 376,102  | 380,785 | na     |
| EBITDA   | 5,784    | 43,442  | 37,211 |
| EBITDA as a % of sales   | 1.54%    | 11.41%  | na     |
| EBIT   | (6,524)  | 30,694  | 25,465 |
| NPAT   | (24,416) | 20,137  | na     |
| Loss from discontinued operations                                  | (1,307)  | -       | -      |
| Net profit (loss) attributable to members of Golden Circle Limited | (25,723) | 20,137  | na     |

Source: Golden Circle Annual Reports for the years ended 30 June 2007 and 2008 and the Explanatory Booklet for FY09B

Ernst & Young Transaction Advisory Services notes the following in relation to summarised income statements:

- ▶ Sales (net of rebates to customers) increased by \$4.6 million in FY08A. The 1.2% increase represents price increases achieved net of product deletions undertaken during the rationalisation plan.
- ▶ The \$37.7 million increase in EBITDA in FY08A included a \$21 million profit from the sale of the Northgate Assets. The remaining increase can be attributed to the success of the rationalisation plan that commenced in May 2007.
- ▶ EBITDA (before the one-off gain on sale of land) is expected to increase in FY09B due to sales growth achieved against a stable fixed cost base.

We note that Golden Circle has historically had a number of one-off transactions and restructuring costs. These adjustments have been excluded from the following table.

Figure 6: Adjusted income statements

| <i>Currency: \$000</i>   | <b>FY07A</b>    | <b>FY08A</b>  | <b>FY09B</b>  |
|--|-----------------|---------------|---------------|
| Sales  | 376,102         | 380,785       | na            |
| <b>Adjusted EBITDA</b>   | <b>7,952</b>    | <b>26,601</b> | <b>37,211</b> |
| <i>Adjusted EBITDA as a % of sales</i>   | <i>2.11%</i>    | <i>6.99%</i>  | <i>na</i>     |
| <b>Adjusted EBIT</b>   | <b>(4,356)</b>  | <b>13,853</b> | <b>25,465</b> |
| <b>Adjusted net profit (loss) attributable to members of Golden Circle Limited</b> | <b>(22,248)</b> | <b>3,548</b>  | <b>na</b>     |

Source: Golden Circle Annual Reports for the years ended 30 June 2007 and 2008 and the Explanatory Booklet for FY09B

Ernst & Young Transaction Advisory Services notes the following in relation to the adjusted income statements:

- ▶ During FY07A the restructuring costs of \$2.2 million, were excluded.
- ▶ During FY08A the gain on sale of Northgate Assets of \$21 million and the restructuring costs of \$4.1million, were excluded.



#### 4.7.2 Financial Position

Set out below are the consolidated historical balance sheets as at 30 June 2007 and 30 June 2008:

Figure 7: Consolidated financial position

| Currency: \$000                      | Jun07A           | Jun08A           |
|--------------------------------------|------------------|------------------|
| <b>Current assets</b>                |                  |                  |
| Cash and cash equivalents            | 12,742           | 20,120           |
| Trade receivables and other debtors  | 55,557           | 59,634           |
| Inventories                          | 84,116           | 91,530           |
| Other current assets                 | 1,680            | 182              |
| <b>Total current assets</b>          | <b>154,095</b>   | <b>171,466</b>   |
| <b>Non-current assets</b>            |                  |                  |
| Property, plant and equipment        | 125,240          | 110,163          |
| Intangible assets                    | 17,503           | 17,502           |
| Other non-current assets             | 112              | 81               |
| <b>Total non-current assets</b>      | <b>142,855</b>   | <b>127,746</b>   |
| <b>Total assets</b>                  | <b>296,950</b>   | <b>299,212</b>   |
| <b>Current liabilities</b>           |                  |                  |
| Trade and other payables             | (60,500)         | (55,198)         |
| Borrowings                           | (22,088)         | (44,226)         |
| Derivative financial liabilities     | (742)            | (412)            |
| Provisions                           | (8,792)          | (10,285)         |
| Other current liabilities            | (1,219)          | (1,788)          |
| <b>Total current liabilities</b>     | <b>(93,341)</b>  | <b>(111,909)</b> |
| <b>Non-current liabilities</b>       |                  |                  |
| Borrowings                           | (48,578)         | (33,110)         |
| Convertible notes                    | (50,496)         | -                |
| Provisions                           | (5,103)          | (895)            |
| Other non-current liabilities        | (5,716)          | (2,947)          |
| <b>Total non-current liabilities</b> | <b>(109,893)</b> | <b>(36,952)</b>  |
| <b>Total liabilities</b>             | <b>(203,234)</b> | <b>(148,861)</b> |
| <b>Net assets</b>                    | <b>93,716</b>    | <b>150,351</b>   |

Source: Golden Circle Annual Report for the years ended 30 June 2007 and 2008

In relation to the 30 June 2008 balance sheet we note the following:

- ▶ Cash and cash equivalents. The cash balance as at 30 June 2008 was unusually high due to the timing of payments at the end of the financial year. This level of cash does not reflect a normal cash balance.
- ▶ Property, plant and equipment represent Golden Circle's most significant assets. This balance comprises operating plant and equipment, motor vehicles, freehold land and buildings. Property, plant and equipment accounted for approximately 37% of the company's total asset base as at 30 June 2008. We note the Northgate Assets were sold for \$21 million net profit before tax during FY08A which resulted in the reduction in the balance during the period. In addition Management has indicated that the depreciation expense was greater than capital expenditure in FY08A, which contributed to the reduction in the balance at 30 June 2008.
- ▶ Receivables and inventory also account for a considerable portion of the Company's assets which is inherent with the nature of Golden Circle's operations. As at 30 June 2008, receivables and inventory accounted for 20% and 31% of the company's total asset base, respectively.
- ▶ Intangibles are comprised of the OJC brand name, Popper brand name and computer software. Both brand names are recognised as intangible assets with indefinite useful lives.



- ▶ Current and non-current borrowings comprise the GE Capital loan, an insurance loan and finance lease liabilities. We note the National Australia Bank long term senior debt facility was repaid on 31 October 2007. GE Capital has a fixed charge over the land and buildings at Northgate and Mill Park, and has a floating charge over the assets of the Company.
- ▶ Convertible notes refer to the issue of 50,000,000 convertible notes for \$50 million. The Company issued 50,000,000 convertible notes for \$50 million on 15 April 2005. These notes were redeemed on 31 October 2007.
- ▶ Provisions comprise employee entitlements and workers compensation provisions.
- ▶ Other current and non-current liabilities comprise deferred income, representing income received in advance from Nutricia as a result of the Baby Foods transaction in 2005. Deferred income as at 30 June 2008 amounted to Nutricia \$4.679 million and other minor amounts.

## 5. Valuation Methodologies and Selection of Methodologies

### 5.1 Value Definition

Ernst & Young Transaction Advisory Services considers that the appropriate definition of value for the purposes of valuing the shares in Golden Circle is market value. Market value is typically defined as:

*"The price that would be negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller acting at arm's length."*

### 5.2 Valuation Methodologies

#### 5.2.1 Common business valuation methodologies

There are a number of commonly used valuation methodologies available to value a business. The four primary methodologies used for valuing a business are:

- ▶ Discounted cash flow ("DCF");
- ▶ Capitalisation of earnings;
- ▶ Net realisable value of assets; and
- ▶ Market-based assessments.

Each methodology is appropriate in certain circumstances. The decision as to which methodology to apply generally depends on the nature of the business being valued, the methodology most commonly adopted in valuing such businesses and the availability of appropriate information.

We have outlined each of the above valuation methodologies in more detail in Appendix C.

### 5.3 Selection of Valuation Methodologies

Ernst & Young Transaction Advisory Services has selected the capitalisation of earnings methodology to assess the underlying value of Golden Circle. In adopting this methodology we have considered a number of factors including:

- ▶ Detailed long term cash flow forecasts have not been prepared for Golden Circle and therefore the discounted cash flow methodology has not been utilised for the purposes of valuing the Company;
- ▶ Valuations based on an estimate of the aggregate proceeds from an orderly realisation of assets are commonly applied to businesses that are not a going concern or are not generating adequate levels of profitability. Despite this approach being used as a secondary methodology in our Independent Expert's Report dated October 2007, we note that Golden Circle's operations have improved such that in FY08A Golden Circle was profitable (and in 2009 is also budgeted to be profitable). As such this approach is considered less relevant in the valuation of Golden Circle. We have however considered the net realisable value of assets as a cross check to our primary valuation methodology in this Report;

- ▶ Whilst Golden Circle is listed on the NSX the issued shares are not actively traded and there is no evidence of recent trades prior to the announcement on 6 October 2008. Therefore we have not considered a market based assessment to be a reliable method for use as our primary methodology; and
- ▶ Capitalisation of earnings has been considered to be the most appropriate method in determining a value for Golden Circle due to the nature of the Company's operations and the availability of information.

## 6. Valuation Analysis

### 6.1 Introduction

As discussed in Section 5 of this Report, we have applied the capitalisation of earnings methodology to assess the underlying value of the equity of Golden Circle.

Ernst & Young Transaction Advisory Services has determined the market value of a controlling interest in Golden Circle by aggregating the:

- ▶ Enterprise value of Golden Circle;
- ▶ The net borrowings position of Golden Circle; and
- ▶ Any surplus assets and liabilities identified.

### 6.2 Capitalisation of Earnings Methodology

Applying the capitalisation of earnings methodology involves:

- ▶ Estimation of normalised earnings; and
- ▶ Determination of an appropriate earnings multiple range.

These are discussed in further detail below.

#### 6.2.1 Normalised earnings

When considering the normalised earnings of Golden Circle, Ernst & Young Transaction Advisory Services noted that the historical financial performance of the Company has been driven by organic growth and to an extent cost saving initiatives. Discussions with Management have indicated that recent earnings growth and expected future growth is being driven by the ongoing focus on cost management, as well as innovation efforts on the Company's product line.

In applying the capitalisation of earnings methodology for the purpose of valuing the Company, Ernst & Young Transaction Advisory Services has adopted EBITDA as the appropriate measure of earnings as EBITDA:

- ▶ Eliminates the effects of gearing and provides a value which is independent of the current funding structure of the Company;
- ▶ Removes the effects of different taxation regimes and taxation benefits that may be available to the Company; and
- ▶ Eliminates the distortions that differences in depreciation and amortisation rates may cause.

Ernst & Young Transaction Advisory Services has had regard to the FY08A and FY09B results in our assessment of normalised earnings. Ernst & Young Transaction Advisory Services has adopted the adjusted EBITDA for FY08A as an appropriate measure of normalised earnings for the following reasons:

- ▶ FY08A earnings includes a full year operation under the rationalisation program which commenced in May 2007, which Management consider is an appropriate reflection of the Company's earnings going forward; and
- ▶ Management has represented that FY08A earnings are a better reflection of the current market and industry conditions than historical periods.

With reference to the earnings for FY09B, Ernst & Young Transaction Advisory Services notes the following:

- ▶ FY09B reflects a significant increase on historical periods. In comparison to Adjusted EBITDA for FY08A and FY07A, FY09B EBITDA is 40% and 368% higher respectively;
- ▶ Historically, the earnings of Golden Circle have been volatile. The earnings achieved in FY08A are at the highest level in recent history; and
- ▶ The seasonality of the Golden Circle business is such that the October to December quarter is the most significant quarter of the year in terms of sales and profits. The winter months generally see significantly lower levels of activity than the spring and summer months. Accordingly, it is currently too early in the financial year to make an assessment of the likelihood of achieving the FY09 budget, given the seasonality in the business.

As a result of the above, Ernst & Young Transaction Advisory Services has mainly had regard to the actual reported earnings for the year ended 30 June 2008 in developing an appropriate estimate of normalised EBITDA. As noted in section 6.2.2 below, we have however considered the potential for short term EBITDA growth in our selection of the earnings multiple.

Based on discussions with Management there are a number of adjustments for extraordinary and non-recurring income and expenses which occurred in FY08A. The table below details the calculation of normalised EBITDA for Golden Circle.

#### Normalised EBITDA

|                                  |               |
|----------------------------------|---------------|
| <i>Currency: \$000</i>           |               |
| FY08A EBITDA                     | 43,442        |
| <i>Adjustments</i>               |               |
| Gain on sale of Northgate assets | (20,983)      |
| Restructuring costs              | 4,142         |
| <b>Adjusted EBITDA</b>           | <b>26,601</b> |
| Nutricia                         | (2,017)       |
| <b>Normalised EBITDA</b>         | <b>24,584</b> |

Source: Golden Circle Annual Report 2008

- ▶ The gain on sale of Northgate Assets relates to surplus Army Land located in Northgate, QLD as well as additional assets disposed of at the time.
- ▶ Restructuring costs relate to the rationalisation plan discussed earlier.
- ▶ Adjustment for non-recurring income from Nutricia which resulted from the Baby Foods transaction in 2005.



## 6.2.2 Earnings multiples

In our assessment of an appropriate earnings multiple, Ernst & Young Transaction Advisory Services has had regard to the trading multiples of listed companies within the food processing, packaging and distribution industry, multiples implied by comparable transactions within the industry and a number of other factors. The key factors considered in selecting the earnings multiple to apply in this valuation are discussed below.

### 6.2.2.1 Trading multiples

Ernst & Young Transaction Advisory Services has given consideration to multiples observed in relation to the food processing and packaging industry for listed companies. A brief description of each of these comparable listed companies is set out in Appendix D.

The table below summarises the EBITDA trading multiples observed for comparable listed companies:

Trading multiples

| Company                  | Market capitalisation as at 30 September 2008 ('000) | Enterprise value ('000) | EBITDA ('000) 30 June 2008 | Historic EBITDA multiple | Projected EBITDA multiple <sup>a</sup> |
|--------------------------|--|-------------------------|----------------------------|--------------------------|--|
| Coca-Cola Amatil Limited | 5,148,919  | 6,943,319               | 815,300                    | 8.4                      | 7.4                                    |
| Goodman Fielder Limited  | 1,841,750  | 2,894,524               | 388,000                    | 7.3                      | 7.1                                    |
| Select Harvests Limited  | 202,846  | 249,579                 | 35,777                     | 7.0                      | 7.1                                    |
| FFI Holdings Limited     | 19,210   | 21,971                  | 4,953                      | 4.5                      | n/a                                    |
| Buderim Ginger Limited   | 14,381   | 36,284                  | 4,605                      | 7.9                      | n/a                                    |
| <b>Simple average</b>    |  |                         |                            | <b>7.0</b>               | <b>7.2</b>                             |

Source: ASX 100 Bloomberg

<sup>a</sup> The projected multiple for Coca-Cola is as at 30 December 2008 and the projected multiple for Goodman Fielder and Select Harvests is as at 30 June 2008

In relation to the multiples above we note the following:

Coca-Cola Amatil Limited ("Coca-Cola") - Coca-Cola recorded approximately a 20% increase in earnings (EBIT) in the six months ended 30 June 2008 compared to the six months ended 30 June 2007. In addition Coca Cola recently announced plans to rationalise production at one of its fruit processing plants in the Goulburn Valley.

Goodman Fielder Limited ("Goodman Fielder") - Goodman Fielder recorded a \$238 million (158%) decline in EBIT for the year ended 30 June 2008 relative to the 2007 year, which included \$170 million in restructuring costs and impairment charges.

Select Harvests Limited ("Select Harvest") - Select Harvests recorded a 33% decline for the financial year ended 30 June 2008 relative to the 2007 year.

FFI Holdings Limited ("FFI") - FFI recorded a 1.7% increase in NPAT for the year ended 30 June 2008 relative to the 2007 year. In May 2008, FFI announced the acquisition of a popcorn manufacturing business.

Buderim Ginger Limited ("Buderim Ginger") - Buderim Ginger recorded a 92% increase in EBITDA for the six months ended 30 June 2008 compared to the six months ended 30 June 2007.

The trading multiples are based on the market price for minority or portfolio shareholdings and do not include a premium for control. A premium for control is applicable when the acquisition for control of a company would give rise to benefits such as:

- ▶ Access to cash flows;
- ▶ Access to tax benefits; and
- ▶ Control of the Board of Directors of the company.

Evidence from studies indicates the control premium on successful takeovers has frequently been in the region of 15% to 35% and that premiums vary significantly from acquisition to acquisition.

#### 6.2.2.2 Transaction multiples

A summary of the EBITDA multiples reflected in mergers and acquisitions transactions of companies in the food processing industry in recent years is set out below:

Industry transaction multiples

| Acquirer                              | Target                                  | Date     | Percentage acquired | Transaction Value (\$Am) | Implied EBITDA multiple |
|---------------------------------------|---|----------|---------------------|--------------------------|-------------------------|
| National Foods Ltd                    | Australian Co-operative Foods Ltd       | Aug-2008 | 100.0%              | 910                      | 15.0                    |
| Kirin Holdings Company Limited *      | National Foods Ltd                      | Dec-2007 | 100.0%              | 2688                     | 12.0                    |
| The Bega Co-Operative Society Limited | Tatura Milk Industries                  | Feb-2007 | 70.0%               | 39                       | 4.4                     |
| PepsiCo New Zealand Holdings          | Bluebird Foods Ltd                      | Jan-2007 | 100.0%              | NZ\$245                  | 11.5                    |
| Retail Food Group                     | Brumby's Bakeries Ltd                   | Dec-2006 | 100.0%              | 36                       | 8.8                     |
| Next Capital                          | Healtheries of New Zealand Ltd          | Oct-2006 | 88.2%               | 21                       | 3.1                     |
| Tradefresh Pty Limited                | Chiquita Brands South Pacific           | Jul-2006 | 74.0%               | 138                      | 8.9                     |
| Nestle Australia                      | Uncle Tobys Business                    | Jul-2006 | 100.0%              | 890                      | 11.3                    |
| Pacific Equity Partners               | Tegel Foods Limited                     | Apr-2006 | 100.0%              | NZ\$250                  | 8.1                     |
| Pacific Equity Partners               | Griffins Foods Limited                  | Apr-2006 | 100.0%              | 326                      | 10.8                    |
| San Miguel Corporation                | National Foods Limited                  | Jun-2005 | 100.0%              | 1,942                    | 12.7                    |
| Chiquita Brands South Pacific         | East African Coffee Plantations Limited | Apr-2005 | 100.0%              | 47                       | 6.7                     |
| <b>Low</b>                            |   |          |                     | NZ\$245                  | 3.1                     |
| <b>High</b>                           |   |          |                     | 890                      | 15.0                    |
| <b>Average</b>                        |   |          |                     | 704                      | 9.4                     |
| <b>Median</b>                         |   |          |                     | 232                      | 9.9                     |

Source: Mergermarket, Bloomberg, Capital IQ and publicly available information

\* Multiple based on Kirin Holdings press release on 8 November 2007

Brief descriptions of the transactions and target companies are provided in Appendix E. Ernst & Young Transaction Advisory Services has also noted in Appendix F details of other transactions we have considered but not used.

We note the following from the above transactions:

- ▶ The transactions have been selected from 2005 to present. This period has been selected on the basis that these transactions provide the most meaningful representation of current industry conditions, albeit the recent market volatility observed in Australia.
- ▶ It is important to note that there have been a number of transactions over this period in addition to those mentioned above, however we have been limited to these transactions on the basis of publicly available information.
- ▶ The majority of the transactions have occurred within a historical EBITDA multiple range of 8.0 to 15.0 with the larger transactions occurring at the higher end of this range.

Ernst & Young Transaction Advisory Services notes that the multiples implied in the above transactions were derived based on historical earnings, may incorporate a premium for control and may reflect the synergistic benefits paid by the acquirer.

#### 6.2.2.3 Assessment of earnings multiples

In assessing an appropriate earnings multiple to apply to the valuation of the Company, Ernst & Young Transaction Advisory Services has had regard to the trading multiples and the multiples implied by comparable transactions as discussed above.

Specifically, we have considered the following factors:

- ▶ The operations of companies selected may not be exactly comparable to the operations of Golden Circle, however they are at least subject to the same risks and industry conditions as those faced by Golden Circle.
- ▶ Premium for control - Trading multiples are based on the market price for minority or portfolio shareholdings and do not include a premium for control. On the other hand, multiples implicit in recent purchase and sale transactions often include a control premium. Empirical evidence suggests an average control premium for transactions in Australia of 15% to 35%. Based on the control premiums that we have observed on the selected transactions above, not all of which are publicly disclosed, we consider that a control premium at the higher end of this range is appropriate.
- ▶ Discount for specific risk - We consider that specific risk exists in relation to the earnings of the business given Golden Circle's history of volatile earnings.
- ▶ As discussed above, we note that the Explanatory Memorandum presents a budget for the year ended 30 June 2009 which reflects a significant improvement compared to the results of the Company for the year ended 30 June 2008 and prior years. We note above in section 6.2.1 however that due to the seasonal nature of the business and other factors it is too early in the year to realistically assess the extent to which the budget may be achieved. Notwithstanding this position in selecting the EBITDA multiple we give recognition to the possibility that there could be a strong level of EBITDA growth achieved in the relatively short term.

Based on the foregoing, Ernst & Young Transaction Advisory Services has adopted an EBITDA multiple range of 9.0 to 10.0 for the purpose of valuing the Company on a controlling basis.

#### 6.2.3 Assessment of enterprise value

Under the capitalisation of earnings methodology, the enterprise value of Golden Circle has been calculated as follows:

| Assessment of enterprise value |                |                |
|--------------------------------|----------------|----------------|
| Currency: \$000                | Low            | High           |
| Normalised EBITDA              | 24,584         | 24,584         |
| Capitalisation multiple        | 9.0            | 10.0           |
| <b>Enterprise value</b>        | <b>221,256</b> | <b>245,840</b> |

Source: Ernst & Young Transaction Advisory Services

Based on the capitalisation of earnings methodology, Ernst & Young Transaction Advisory Services has estimated the enterprise value of Golden Circle to be in the range of \$221.256 million to \$245.840 million.



### 6.2.4 Net (borrowings)/cash

| Consolidated net (borrowings)/cash        |                 |
|---|-----------------|
|   | Book Value      |
| <i>Currency: \$000</i>                    |                 |
| Cash and cash equivalents                 | 3,000           |
| Borrowings                                | (77,336)        |
| <b>Consolidated net (borrowings)/cash</b> | <b>(74,336)</b> |

Source: Ernst & Young Transaction Advisory Services Calculations and GC Annual Report 30 June 2008.

#### Cash and cash equivalents

- ▶ The cash and cash equivalents consists of cash at bank and cash on hand.
- ▶ Management indicated that approximately \$3 million of the cash on hand at 30 June 2008 should be regarded as surplus cash. The remaining cash is required to fund the working capital at June due to the seasonal nature of the business and the timing of specific payments at the end of June. At September 2008, we understand this cash had returned to a normal level of approximately \$3 million.

#### Borrowings

- ▶ Borrowings comprise of the GE Capital loan, insurance loan and lease liabilities.

### 6.2.5 Surplus assets/(liabilities)

Ernst & Young Transaction Advisory Services has considered assets and liabilities of Golden Circle operations. We have not identified any surplus assets or liabilities.

### 6.2.6 Tax losses

Ernst & Young Transaction Advisory Services has had consideration to the available tax losses of approximately \$105 million held by Golden Circle. We note that as the offer is for 100% of Golden Circle's issued shares and outstanding options the Continuity of Ownership Test will not apply in considering whether the tax losses may be carried forward. As such we have had regard to the Same Business Test in the assessment of the availability and utilisation of tax losses under the ownership of the proposed acquirer.

To the extent that the tax losses are available and the Same Business Test has been satisfied, it will be necessary to consider that the utilisation of the tax losses will be contingent upon, amongst others, the following:

- ▶ The forecast profitability of Golden Circle;
- ▶ The proposed purchaser's intentions with respect to satisfying the strict requirements of the Same Business Test;
- ▶ Whether Golden Circle will be incorporated into a tax consolidated group, such that further rules beyond Same Business Test will apply and that the rate of losses used may be limited to an available fraction; and
- ▶ The impact of the time value of money on the tax losses available.

As a result Ernst & Young Transaction Advisory Services has not assigned value to the available Golden Circle tax losses due to the considerations set out above.

#### 6.2.7 Employee options

In arriving at a value per share, Ernst & Young Transaction Advisory Services has had regard to the impact of the options on issue.

Upon review of the employee share options on issue and the subscription agreements, suggests that an exercise price of \$0.80 per option, all options are 'in the money' given they are below the assessed value per Golden Circle share.

#### 6.2.8 Valuation summary

Ernst & Young Transaction Advisory Services has valued Golden Circle using the capitalisation of earnings approach. Golden Circle has been valued in the range of \$1.15 to \$1.33 per share on a diluted basis. This value represents the value of Golden Circle assuming 100% of the Company is acquired and includes a premium for control. The following table sets out a summary of our valuation:

##### Summary valuation - undiluted basis

| Currency: \$000                         | Section | Low            | High           |
|---|---------|----------------|----------------|
| Normalised EBITDA                       | 6.2.1   | 24,584         | 24,584         |
| Capitalisation multiple (times)         | 6.2.2   | 9.0            | 10.0           |
| <b>Enterprise value</b>                 |         | <b>221,256</b> | <b>245,840</b> |
| Less: Net (borrowings) / cash           | 6.2.4   | (74,336)       | (74,336)       |
| <b>Equity value</b>                     |         | <b>146,920</b> | <b>171,504</b> |
| <b>Total shares</b>                     |         | <b>126,734</b> | <b>126,734</b> |
| <b>Value per share (\$) - undiluted</b> |         | <b>1.16</b>    | <b>1.35</b>    |

Source: Ernst & Young Transaction Advisory Services

Ernst & Young Transaction Advisory Services has also considered the valuation impact on a per share basis in the event that all 'in the money' employee options were to be exercised. This is shown below.

##### Summary valuation - diluted basis

| Currency: \$000                                       | Low            | High           |
|---|----------------|----------------|
| Equity value - undiluted                              | 146,920        | 171,504        |
| Add: cash inflow from options conversion <sup>a</sup> | 3,920          | 3,920          |
| <b>Adjusted equity value</b>                          | <b>150,840</b> | <b>175,424</b> |
| Ordinary shares on issue (million)                    | 126,734        | 126,734        |
| Add: options converted to ordinary shares (million)   | 4,900          | 4,900          |
| <b>Total shares</b>                                   | <b>131,634</b> | <b>131,634</b> |
| <b>Value per share (\$) - diluted</b>                 | <b>1.15</b>    | <b>1.33</b>    |

Source: Ernst & Young Transaction Advisory Services

<sup>a</sup> Calculated as 4.9 million options exercised for \$0.80 each

We note that only 4.9 million options have been included in our dilution calculation, being the options currently on issue. We have not included the 800,000 options that have been promised but not yet issued. These options are not planned to be issued until 2009 and beyond and therefore there is inherent uncertainty regarding the issue of these options.



## 7. Valuation Conclusion

As previously indicated Ernst & Young Transaction Advisory Services has valued Golden Circle in the range of \$1.15 to \$1.33 per share on a diluted basis. This value represents the value of Golden Circle assuming 100% of the Company is acquired and includes a premium for control.

### 7.1 Comparison to trading prices

Prior to reaching our valuation conclusion Ernst & Young Transaction Advisory Services has considered the reasonableness of our valuation by comparing our results to the recent share prices of Golden Circle. Set out below is a summary of the prices at which Golden Circle shares have traded on the NSX for various periods prior to the announcement on 6 October 2008.

Figure 8: Golden Circle Share Price

| Golden Circle Volume Weighted Average Share Price | Consideration | One Month Prior to the announcement date | Two Months Prior to the announcement date | Six Months Prior to the announcement date |
|---|---------------|--|---|---|
| Volume Weighted Average Share Price               | 1.65          | 0.44                                     | 0.42                                      | 0.64                                      |

Source: Factiva

\* The pre announcement period is from 31 March 2008 to 6 October 2008.

Announcement date 6 October 2008

When considering the above prices, Ernst & Young Transaction Advisory Services notes that:

- ▶ Our valuation is inclusive of a premium of control, whereas the share prices used in our comparison are in respect of minority parcels of shares traded prior to announcement of the Scheme. Accordingly, these share prices are not likely to incorporate a premium of control.
- ▶ Golden Circle shares are not actively traded as some larger companies which are listed on the ASX might be. In this regard, we note that prior to the announcement of the Proposed Scheme, Golden Circle had traded on approximately 20% of total trading days, and total share turnover whilst being listed on the NSX is less than 1% of total shares on issue.
- ▶ Golden Circle shares have decreased since listing on the NSX in March 2008.

Based on the above, Ernst & Young Transaction Advisory Services considered that the trading share price is not representative of the value of the Golden Circle business.

# Part C

## Section 1

### Independent Expert's Report

## 7.2 Cross check

Ernst & Young Transaction Advisory Services has considered the book value of assets as a cross check to capitalisation of earnings methodology.

Management has advised that there has not been any material movement in the Balance Sheet between 30 June 2008 and 31 August 2008. Accordingly the cross check has been based on the 30 June 2008 Balance Sheet of Golden Circle, as set out below.

### Golden Circle asset based valuation

| <i>Currency: \$000</i>               | <b>Book Value</b> |
|--------------------------------------|-------------------|
| <b>Current assets</b>                |                   |
| Cash and cash equivalents            | 20,120            |
| Trade receivables and other debtors  | 59,634            |
| Inventories                          | 91,530            |
| Other current assets                 | 182               |
| <b>Total current assets</b>          | <b>171,466</b>    |
| <b>Non-current assets</b>            |                   |
| Property, plant and equipment        | 110,163           |
| Intangible assets                    | 17,502            |
| Other non-current assets             | 81                |
| <b>Total non-current assets</b>      | <b>127,746</b>    |
| <b>Total assets</b>                  | <b>299,212</b>    |
| <b>Current liabilities</b>           |                   |
| Trade and other payables             | (55,198)          |
| Borrowings                           | (44,226)          |
| Derivative financial liabilities     | (412)             |
| Provisions                           | (10,285)          |
| Other current liabilities            | (1,788)           |
| <b>Total current liabilities</b>     | <b>(111,909)</b>  |
| <b>Non-current liabilities</b>       |                   |
| Borrowings                           | (33,110)          |
| Provisions                           | (895)             |
| Other non-current liabilities        | (2,947)           |
| <b>Total non-current liabilities</b> | <b>(36,952)</b>   |
| <b>Total liabilities</b>             | <b>(148,861)</b>  |
| <b>Total equity</b>                  | <b>150,351</b>    |

Source: Golden Circle Annual Report for the year ended 30 June 2008

Based on the above Balance Sheet, Ernst & Young Transaction Advisory Services notes that the book value is consistent with the low end of our valuation range. On this basis, we consider that this cross check is not inconsistent with our primary valuation methodology.

## 8. Evaluation of the Proposed Scheme

### 8.1 Approach to Assessing the Proposed Scheme

In forming our opinion as to whether the Proposed Scheme is in the best interest of Shareholders, Ernst & Young Transaction Advisory Services has considered the following:

- ▶ Whether the value of a Golden Circle share (on a control basis) is higher or lower than the \$1.65 cash consideration;
- ▶ Whether a premium for control is being offered, and whether this is appropriate in the circumstances;
- ▶ The value of the Golden Circle shares being disposed of under the Proposed Scheme;
- ▶ Other commercial and qualitative factors relevant to Golden Circle Shareholders;
- ▶ The likelihood of an alternative superior offer being made to Golden Circle Shareholders; and
- ▶ The alternatives available to Golden Circle Shareholders.

### 8.2 Value of Consideration Offered to Shareholders

Set out below is a comparison of our estimate of the value of a Golden Circle share and the consideration offered under the Proposed Scheme:

| Consideration to be provided                         | Low<br>\$ | High<br>\$ |
|--|-----------|------------|
| Equity value per Golden Circle Share - diluted basis | 1.15      | 1.33       |
| Consideration to be provided                         | 1.65      | 1.65       |

Ernst & Young Transaction Advisory Services has assessed the equity value of each Golden Circle share to be between the range of \$1.15 and \$1.33 on a diluted basis, noting that the consideration offered by Heinz is above our assessed value per share.

As previously noted, our valuation assessment has been undertaken on a controlling interest basis, which includes a premium for control. In addition to an implied control premium discussed below, Ernst & Young Transaction Advisory Services considers the additional value placed by Heinz reflects synergistic benefits assessed as being available to Heinz. These benefits may or may not be available to potential buyers of Golden Circle.

### 8.3 Control premium

A party obtaining control of a company usually pays a premium over and above the price at which minority parcels of shares are traded. ASIC guidelines require the independent expert to assess whether a premium for control is included in the consideration payable for the Golden Circle business. The higher the premium, the greater the benefit to all existing Golden Circle Shareholders. Conversely, if the shares are issued at a discount, the value of the remaining shares may be diluted.

# Part C

## Section 1

### Independent Expert's Report

In assessing whether the consideration under the Proposed Scheme does include a premium for control, Ernst & Young Transaction Advisory Services has considered the following factors:

- ▶ As outlined in Section 7.1, Ernst & Young Transaction Advisory Services notes that the consideration being offered is significantly higher than the traded share price of Golden Circle on the NSX prior to the announcement of the Proposed Scheme.
- ▶ Our valuation of Golden Circle Shares as outlined in Section 7 is inclusive of an assessed premium for control. As the assessed value of the consideration offered under the Proposed Scheme exceeds this value, this supports the existence of a control premium.

## 8.4 Advantages & Disadvantages to Golden Circle Shareholders

### 8.4.1 Advantages

The likely advantages for Golden Circle if the Proposed Scheme proceeds are set out below:

| Advantages  | Description  |
|---|--|
| Offer falls above our assessed range                                | The consideration of \$1.65 per share under the Proposed Scheme falls above our assessed range of values including a premium for control.  |
| Unanimous Board recommendation and substantial shareholder approval | The Board of Directors have indicated their unanimous support for the Proposed Scheme, in the absence of a superior proposal. In addition, Golden Circle's major shareholder, Anchorage, has indicated its intention to vote in favour of the Proposed Scheme. |
| Best offer available where no other proposal has emerged            | The Golden Circle Directors have assessed the Proposed Scheme to be the most advantageous Offer currently available to the Golden Circle Shareholders.   |
| Liquidity of shares   | Golden Circle shares show less liquidity in relation to comparable stocks. The Proposed Scheme offers all Golden Circle Shareholders the opportunity to realise value for all of their shares.   |
| Certainty of cash   | There is timing and value certainty of the \$1.65 per share consideration. If the Proposed Scheme does not proceed, the amount for which Shareholders can realise their shares will be uncertain.  |
| Control Premium   | Based on recent trading prices, Ernst & Young Transaction Advisory Services considers that the consideration of \$1.65 per share under the Proposed Scheme includes a premium for control.   |
| No brokerage costs on the transfer                                  | Shareholders will not be subject to brokerage costs on the transfer of their Golden Circle shares to Heinz under the Proposed Scheme.  |

### 8.4.2 Disadvantages

The likely disadvantages for Golden Circle if the Proposed Scheme proceeds are set out below:

| Disadvantages                        | Description  |
|--------------------------------------|--|
| Forego capital growth                | Shareholders will forego the potential upside in the Company and the share price.  |
| Forego future dividend income stream | Shareholders will forego future dividend income.   |
| Capital gains tax                    | Capital gains tax may be payable by Shareholders who acquired Golden Circle shares after 19 September 1985 for less than the consideration of \$1.65 per share. The precise tax position will depend on each Shareholders particular circumstances for which they should seek their own professional advice. |
| Board representation                 | Board will be reconstituted and may contain no Grower representation in the future.  |
| No shareholding by Growers           | The lack of shareholding will mean that the Growers will have no influence over the future direction of the Company.   |



## 8.5 Other matters

In addition to the specific areas discussed above, we have also considered other matters that we consider to be of importance for the Golden Circle Shareholders in forming their view on the Proposed Scheme.

### *Shareholders should consider their own personal circumstances in evaluation the Proposed Scheme*

The decision of each shareholder as to whether to accept the Proposed Scheme is a matter for individual Shareholders. The decision of each shareholder should be based on their own views as to the matters at hand, including the underlying value of the Proposed Scheme, risk profiles, liquidity preferences, future market and industry conditions and their tax positions.

### *Future takeover bid*

Golden Circle Shareholders should be aware that the Proposed Scheme will not deter any third party from making a takeover bid for Golden Circle.

### *Conclusion summary*

We have determined the value of the Golden Circle share and have compared this to the value of the consideration being offered by Heinz. As the value of the consideration falls above the range of values that we have ascribed to the Golden Circle shares being acquired, we consider the terms of the Proposed Scheme to be fair.

Under the guidance provided by ASIC Regulatory Guide 111, as we consider the terms to be fair, we also consider them to be reasonable. As we are able to conclude that the terms of the Proposed Scheme are fair and reasonable, we also consider them to be in the best interests of the Shareholders.

## Appendix A Sources of Information

- ▶ Discussions with Management of Golden Circle;
- ▶ Internal information provided by Management of Golden Circle, including Board Reports and management accounts;
- ▶ Annual and half year statutory financial reports of Golden Circle;
- ▶ Annual reports of, and news releases related to, the comparable companies and their respective transactions;
- ▶ Capital IQ;
- ▶ Bloomberg;
- ▶ One Source;
- ▶ Mergermarket;
- ▶ DatAnalysis;
- ▶ 2008 Dow Jones Reuters Business Interactive LLC (trading as Factiva);
- ▶ IBISWorld Industry reports, IBISWorld Pty Limited; and
- ▶ RoyaltySource Intellectual Property Database.

## Appendix B Statement of Qualifications and Declarations

Ernst & Young Transaction Advisory Services, which is wholly owned by Ernst & Young holds an Australian Financial Services Licence under the Corporations Act and its Representatives are qualified to provide this Report. The Directors of Ernst & Young Transaction Advisory Services responsible for this Report have not provided financial advice to either Golden Circle or Heinz in respect of the Proposed Scheme.

Prior to accepting this engagement Ernst & Young Transaction Advisory Services considered its independence with respect to Golden Circle and Heinz with reference to the ASIC RG112 entitled "*Independence of Expert*". In Ernst & Young Transaction Advisory Services' opinion it is independent of Golden Circle and Heinz. We advise that Ernst & Young Transaction Advisory Services had the following relationship with Golden Circle over the past two years:

- ▶ Ernst & Young Transaction Advisory Services was engaged by Golden Circle to provide a due diligence review in respect of a potential joint venture transaction - November 2005
- ▶ Ernst & Young Transaction Advisory Services was engaged by Golden Circle to provide a due diligence review in respect of the 2006 earnings forecast prepared by the management of Golden Circle - July 2006
- ▶ Ernst & Young Transaction Advisory Services was engaged by Golden Circle to provide and Independent Expert's Report in relation to the Proposed Transaction by Anchorage including financing offer by GE Commercial Finance - October 2007

This Report has been prepared specifically for the Shareholders of Golden Circle. Neither Ernst & Young Transaction Advisory Services, Ernst & Young, nor any member or employee thereof undertakes responsibility to any person, other than the Shareholders of Golden Circle, in respect of this Report, including any errors or omissions howsoever caused.

The statements and opinions given in this Report are given in good faith and the belief that such statements and opinions are not false or misleading. In the preparation of this Report Ernst & Young Transaction Advisory Services has relied upon and considered information believed after due inquiry to be reliable and accurate. Ernst & Young Transaction Advisory Services has no reason to believe that any information supplied to it was false or that any material information has been withheld from it. Ernst & Young Transaction Advisory Services has evaluated the information provided to it by Golden Circle as well as other parties, through inquiry, analysis and review, and nothing has come to its attention to indicate the information provided was materially mis-stated or would not afford reasonable grounds upon which to base its Report. Ernst & Young Transaction Advisory Services does not imply and it should not be construed that it has audited or in any way verified any of the information provided to it, or that its inquiries could have verified any matter which a more extensive examination might disclose.

Golden Circle has provided an indemnity to Ernst & Young Transaction Advisory Services for any claims arising out of any mis-statement or omission in any material or information provided to it in the preparation of this Report.

Ernst & Young Transaction Advisory Services provided draft copies of this Report to the Directors and Management of Golden Circle for their comments as to factual accuracy, as opposed to opinions, which are the responsibility of Ernst & Young Transaction Advisory Services alone. Changes made to this Report as a result of this review by the directors and management of Golden Circle have not changed the methodology or conclusions reached by Ernst & Young Transaction Advisory Services.

Ernst & Young Transaction Advisory Services will receive a professional fee based on time spent in the preparation of this Report, estimated at approximately \$90,000 excluding GST. Ernst & Young Transaction Advisory Services will not be entitled to any other pecuniary or other benefit whether direct or indirect, in connection with the making of this Report.

Ms Cathy Montesin, Representative of Ernst & Young Transaction Advisory Services and an Executive Director of Ernst & Young has assumed overall responsibility for this Report. Cathy has over 14 years experience in providing financial advice and valuation advice and has professional qualifications appropriate to the advice being offered.

Mr Grant Murdoch, a Director and Representative of Ernst & Young Transaction Advisory Services and a Partner of Ernst & Young has also been involved in the preparation of this Report. He has over 30 years experience in providing financial advice and valuation advice and has professional qualifications appropriate to the advice being offered.

The preparation of this Report has had regard to relevant ASIC Regulatory Guides. It is not intended that the Report should be used for any other purpose other than to accompany the Explanatory Booklet sent to Golden Circle Shareholders. In particular, it is not intended that this Report should be used for any other purpose other than as an expression of its opinion as to whether or not the Proposed Scheme is in the best interest of Shareholders of Golden Circle.

The financial forecasts used in the preparation of this Report reflect the Directors and Management's judgement based on present circumstances, as to both the most likely set of conditions and the course of action it is most likely to take. It is usually the case that some events and circumstances do not occur as expected or are not anticipated. Therefore, actual results during the forecast period will almost always differ from the forecast and such differences may be material. To the extent that our conclusions are based on forecasts, we express no opinion on the achievability of those forecasts.

Ernst & Young Transaction Advisory Services consents to the issue of this Report in the form and context in which it is included in the Explanatory Booklet to be sent to Golden Circle Shareholders.



## Appendix C Valuation Methodologies

### DCF

DCF valuations are based on the net present value of cash flows expected to be generated from future activities. The projected cash flows are discounted to a present day value at a discount rate that reflects both the time value of money and the risks inherent in the projected cash flows.

The DCF methodology is appropriate in valuing businesses with a finite life such as mines, businesses that are in a start up phase and are expecting considerable volatility in cash flows, or businesses with a changing cash flow profile over time.

This methodology requires consideration of the following factors:

- ▶ Quantification and assessment of the cash flow forecasts of the business;
- ▶ Calculation of a terminal value. The terminal value captures the value of cash flows occurring after the forecast period. This value is discounted to a present day value and added to the present value of the cash flows occurring during the forecast period;
- ▶ Determination of a discount rate which is used to convert the future cash flows into a present day value. The discount rate reflects both the time value of money and the risks inherent in the projected cash flows; and
- ▶ A deduction for the value of net interest bearing debt of the business (if the discounted cash flows have been determined on a pre financing basis) and an adjustment for the value of any surplus assets and liabilities.

### Capitalisation of Earnings

Capitalisation of earnings valuations involve capitalising, or multiplying, the earnings of a business using a multiple that reflects both the risks underlying the earnings and the growth prospects of the business. This methodology is most appropriate for mature businesses with substantial operations history and a consistent earnings trend that is sufficiently stable to be indicative of ongoing earnings potential.

This methodology requires consideration of the following factors:

- ▶ Estimation of normalised earnings having regard to historical and projected earnings, abnormal or non-recurring items of income and expenditure and other factors including key industry risk factors, growth prospects and the general economic outlook;
- ▶ Determination of an appropriate earnings multiple that reflects the risks inherent in the business, its growth prospects and alternative investment opportunities available. Earnings multiples are generally applied to net profit after tax ("NPAT"), earnings before interest and tax ("EBIT") or earnings before interest, tax, depreciation and amortisation ("EBITDA"). Earnings multiples applied to NPAT are known as price earnings multiples (PE multiples) and are commonly used in relation to listed public companies. Earnings multiples applied to EBIT or EBITDA are commonly used for valuing whole businesses for acquisition purposes where gearing is in the control of the acquirer. The EBIT and EBITDA alternatives are not likely to lead to a valuation conclusion which is materially different to that derived by using a PE multiple;
- ▶ Adjustment for the value of net interest bearing debt of the business (if EBIT or EBITDA are being applied); and
- ▶ Adjustment for the value of any surplus assets and liabilities.



### Net Realisable Value

Net realisable value of assets valuations involves the determination of the net realisable value of the assets of a business assuming an orderly realisation of those assets. It is not a valuation on the basis of a forced sale where the assets might be sold at values materially different from their fair market value. This approach is appropriate where the business is a going concern, where there are surplus or non-operating assets and where the assets are generally not generating an appropriate level of return. A discount may be included to allow for the time value of money and for reasonable costs of undertaking the realisation.

The net realisable value of the assets can be determined on the basis of:

- ▶ *Orderly realisation*: this method estimates fair market value by determining the net assets of the underlying business including an allowance for the reasonable costs of carrying out the sale of assets, taxation charges and the time value of money assuming the business is wound up in an orderly manner. This is not a valuation on the basis of a forced sale where the assets might be sold at values materially different from their fair market value;
- ▶ *Liquidation*: this is a valuation on the basis of a forced sale where the assets might be sold at values materially different from their fair market value; or
- ▶ *Going concern*: the net assets on a going concern basis estimates the market value of the net assets but does not take into account any realisation costs. This method is often considered appropriate for the valuation of an investment or property holding company. Adjustments may need to be made to the book value of assets and liabilities to reflect their going concern value.

The net realisable value of assets is relevant where a company is making sustained losses or profits but at a level less than the required rate of return or where it is close to liquidation. The assets based valuation approach should provide a minimum value for the equity in the company and is adopted as the primary valuation method when the asset based approach exceeds the value obtained under the capitalisation of earnings or discounted cash flow approach.

### Market-Based Assessments

Market based assessment valuations relate to the valuation of businesses, shares or other assets using the prices at which comparable companies, shares or assets have been bought and sold in arms' length transactions. This is often the most reliable evidence as to value but in the case of companies it is often difficult to find directly comparable transactions.

For companies whose shares are traded on a stock exchange, the relevant share price would, prima facie, constitute the market value of the shares, however, such market prices usually reflect the prices paid for small parcels of shares and as such do not include a control premium relevant to a significant parcel of shares.

# Part C

## Section 1

### Independent Expert's Report

## Appendix D Comparable Companies

| Company                  | Brief Overview   |
|--------------------------|--|
| Coca-Cola Amatil Limited | Coca-Cola Amatil (CCL) manufactures sells and distributes Coca-Cola products throughout the Asia-Pacific region. The company's portfolio of products includes carbonated soft drinks, mineral waters and other non-alcoholic beverages. SPC Ardmona was acquire in February 2005. SPC is Australia's largest producer of packaged fruit and operates six principal brands across the processed fruit, vegetables, jams and sauces markets. |
| Goodman Fielder Limited  | Manufacture, marketing and distribution of food ingredients and consumer branded food, beverage and related products.  |
| Select Harvests Limited  | Select Harvests Ltd (SHV) is involved in the growing, processing, packaging and distribution of almonds, and the provision of management services in horticultural, processing and marketing fields. SHV is also involved in the food product business.  |
| FFI Holdings Ltd         | FFI Holdings Ltd is a Western Australian based food processing company. The company operates through 4 main business units: Fresh Food Industries, Chocolate Products, Olympic Fine Foods and Tradition Smallgoods.  |
| Buderim Ginger Ltd       | The Company operates in three business segments: Ginger Processing, Baking and Tourism. Buderim Ginger Limited has a 50% interest in jointly controlled entity, Ginger Head Quarters Pty Ltd, with DPG Enterprises Pty Ltd. The joint venture entity is involved in tourism activates with the Ginger Factory tourism complex at Yandina   |

## Appendix E Industry Transactions

| Acquirer                              | Target                                  | Date     | Transaction description  |
|---------------------------------------|---|----------|--|
| National Foods Ltd                    | Australian Co-operative Foods Ltd       | Aug-2008 | Australian Co-operative Foods Ltd (trading as Dairy Farmers) was a Co-operative of Australian Farmers. National Foods acquired 100% of Dairy Farmers under the transaction.  |
| Kirin Holdings Company Limited        | National Foods Ltd                      | Dec-2007 | National Foods is an Australian food and beverage company that specialises in milk and dairy products. Kirin Holdings Company acquired 100% of National Foods under the transaction.   |
| The Bega Co-Operative Society Limited | Tatura Milk Industries                  | Feb-2007 | Acquired 70% stake in Tatura Milk Industries Limited (TATURA), the Australia based manufacturer of dairy ingredients for an approximate consideration of AUD 39m.  |
| PepsiCo New Zealand Holdings          | Bluebird Foods Ltd                      | Jan-2007 | Agreed to acquire the New Zealand based snacks manufacturer, from Burns, Philp & Company Limited, the listed Australian food ingredients company, for a consideration of NZD 245m.   |
| Retail Food Group                     | Brumby's Bakeries Ltd                   | Dec-2006 | Brumby's Bakeries is an Australian based bakery operator. Retail Food Group acquired 100% of the business.   |
| Next Capital                          | Healtheries of New Zealand Ltd          | Oct-2006 | Healtheries of New Zealand is a New Zealand based manufacturer of juices and other health foods. Next Capital acquired 88.2% of the business from Lane Capital Ltd.  |
| Tradefresh Pty Limited                | Chiquita Brands South Pacific           | Jul-2006 | Chiquita Brands South Pacific was a listed Australian based producer and distributor of bananas, blueberries, mushrooms, and other fruit and vegetables. Tradefresh acquired a 74% interest in Chiquita Brands under this transaction. |
| Nestle Australia                      | Uncle Tobys Business                    | Jul-2006 | Uncle Tobys is a leading provider of nutritional snacks, breakfast cereals and soups. Nestle acquired 100% of the Uncle Tobys business from the Burns Philp Company.   |
| Pacific Equity Partners               | Tegel Foods Limited                     | Apr-2006 | Acquired Tegel Foods, the New Zealand based poultry producer, from H.J. Heinz Company, the listed US based food producing company.   |
| Pacific Equity Partners               | Griffins Foods Limited                  | Apr-2006 | Griffins is a leading biscuit and snack food company operating various manufacturing and distribution facility in New Zealand. Pacific Equity Partners acquired 100% of the business.  |
| San Miguel Corporation                | National Foods Limited                  | Jun-2005 | National Foods was an Australian based milk and dairy product company. San Miguel acquired 100% of the business.   |
| Chiquita Brands South Pacific         | East African Coffee Plantations Limited | Apr-2005 | East African Coffee Plantations Limited was a listed Australian company engaged in the cultivating, packing and marketing of citrus fruit. Under this transaction, Chiquita Brands acquired 100% of the business.                      |

Source: Mergermarket, Bloomberg, Capital IQ and publicly available information

## Part C

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#### Independent Expert's Report

## Appendix F Alternative Transactions and Companies Considered

The tables below outline those transactions and companies considered as part of our analysis of transactions and trading multiples respectively. For the reasons stated below, these transactions and companies were not included as comparable in the valuation section of this Report.

#### Transaction Multiples

| Acquirer                             | Target  | Date     | Percentage acquired | Transaction Value (\$Am) | Implied EBITDA multiple | Transaction description  | including as comparable transaction  |
|--------------------------------------|---|----------|---------------------|--------------------------|-------------------------|--|--|
| Kellogg Company                      | Special Cereals Pty Limited                                     | Sep-2008 | 100.0%              | N/A                      | N/A                     | Agreed to acquire Specialty Cereals Pty Limited, the Australian manufacturer of natural ready-to-eat cereals, for an undisclosed consideration.                | No historical EBITDA multiple or transaction value available for comparison. |
| Budertm Ginger Agrimac               | International Enterprises Pty Ltd                               | Jul-2008 | 100.0%              | 7                        | N/A                     | Agreed to acquire Agrimac International Enterprises Pty Ltd, the Australia based producer and retailer of macadamia products.                                  | No historical EBITDA multiple available for comparison.                      |
| The Real McCoy                       | Campbell Soup Company   | Apr-2008 | 100.0%              | N/A                      | N/A                     | Agreed to acquire the Amott's Snackfoods business of Campbell Soup Company, the listed US based maker of convenience foods, for an undisclosed consideration.  | No historical EBITDA multiple or transaction value available for comparison. |
| Goodman Fielder Limited              | Paradise Food Industries Pty Ltd                                | Mar-2008 | 100.0%              | 79                       | N/A                     | Acquired the Australia based food manufacturer and supplier, from Archer Capital, the Australia based private equity firm, for AUD 78.75m.                     | No historical EBITDA multiple available for comparison.                      |
| Kerry Group Plc                      | Centride Pty Ltd  | Jun-2007 | 100.0%              | 11                       | N/A                     | Acquired Centride Pty Ltd, the Australian manufacturer of bread and other bakery products, for a consideration of AUD 11.25m.                                  | No historical EBITDA multiple available for comparison.                      |
| H.J. Heinz Company Australia Limited | Cadbury Schweppes Australia (Jams, Toppings and Jelly business) | Jun-2007 | 100.0%              | 70                       | N/A                     | Agreed to acquire Jams, Toppings and Jelly Australian business of Cadbury Schweppes, the listed UK based manufacturer of beverages and confectionery products. | No historical EBITDA multiple available for comparison.                      |
| Goodman Fielder Limited              | River Mill Bakesies   | Mar-2007 | 100.0%              | N/A                      | N/A                     | Agreed to acquire River Mill Bakesies Limited, the New Zealand based bread producer, for an undisclosed consideration.   | No historical EBITDA multiple or transaction value available for comparison. |
| Goodman Fielder Limited              | Amott's Biscuits Limited (Papua New Guinea biscuit business)    | Feb-2007 | 100.0%              | 35                       | N/A                     | Agreed to acquire Papua New Guinea biscuit business from Amott's Biscuits Limited, the Australia manufactures a range of biscuit, cereal, and noodle products. | No historical EBITDA multiple available for comparison.                      |
| Cerebos Gregg's Ltd                  | Caffe L'affare Ltd  | Sep-2006 | 100.0%              | 22                       | N/A                     | Acquired Caffe L'affare Ltd, the New Zealand based coffee company.   | No historical EBITDA multiple available for comparison.                      |
| Archer Capital                       | Paradise Food Industries Pty Ltd                                | Jun-2006 | 100.0%              | N/A                      | N/A                     | Acquired Paradise Food Industries Pty Ltd, the Australian food company, from Tim Wong, the Australian private investor, for an undisclosed consideration.      | No historical EBITDA multiple or transaction value available for comparison. |
| National Foods Limited               | Lactos Pty Ltd  | Mar-2006 | 100.0%              | N/A                      | N/A                     | Agreed to acquire Lactos Pty Ltd, the Australian dairy products company, from Bongrain SA, the listed French food group, for an undisclosed consideration.     | No historical EBITDA multiple or transaction value available for comparison. |

Source: Mergermarket, Bloomberg, Capital IQ and publicly available information

#### Trading Multiples

| Company            | Reason for Exclusion from Comparable companies                         |
|--------------------|--|
| Capilano Honey Ltd | Loss-making entity. Therefore unable to calculate comparable multiples |



# Part C

## Section 1

### Independent Expert's Report



**THIS FINANCIAL SERVICES GUIDE FORMS PART OF THE INDEPENDENT EXPERT'S REPORT**

## PART 2 - FINANCIAL SERVICES GUIDE

### 1. Ernst & Young Transaction Advisory Services

Ernst & Young Transaction Advisory Services Limited ("Ernst & Young Transaction Advisory Services" or "we," or "us" or "our") has been engaged to provide general financial product advice in the form of an Independent Expert's Report ("Report") in connection with a financial product of another person. The Report is set out in Part 1.

### 2. Financial Services Guide

This Financial Services Guide ("FSG") provides important information to help retail clients make a decision as to their use of the general financial product advice in a Report, information about us, the financial services we offer, our dispute resolution process and how we are remunerated.

### 3. Financial services we offer

We hold an Australian Financial Services Licence which authorises us to provide the following services:

- financial product advice in relation to securities, derivatives, general insurance, life insurance, managed investments, superannuation, and government debentures, stocks and bonds; and
- arranging to deal in securities.

### 4. General financial product advice

In our Report we provide general financial product advice. The advice in a Report does not take into account your personal objectives, financial situation or needs.

You should consider the appropriateness of a Report having regard to your own objectives, financial situation and needs before you act on the advice in a Report. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain an offer document relating to the financial product and consider that document before making any decision about whether to acquire the financial product.

We have been engaged to issue a Report in connection with a financial product of another person. Our Report will include a description of the circumstances of our engagement and identify the person who has engaged us. Although you have not engaged us directly, a copy of the Report will be provided to you as a retail client because of your connection to the matters on which we have been engaged to report.



#### 5. Remuneration for our services

We charge fees for providing Reports. These fees have been agreed with, and will be paid by, the person who engaged us to provide a Report. Our fees for Reports are based on a time cost or fixed fee basis. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority.

Ernst & Young Transaction Advisory Services is ultimately owned by Ernst & Young, which is a professional advisory and accounting practice. Ernst & Young may provide professional services, including audit, tax and financial advisory services, to the person who engaged us and receive fees for those services.

Except for the fees and benefits referred to above, Ernst & Young Transaction Advisory Services, including any of its directors, employees or associated entities should not receive any fees or other benefits, directly or indirectly, for or in connection with the provision of a Report.

#### 6. Associations with product issuers

Ernst & Young Transaction Advisory Services and any of its associated entities may at any time provide professional services to financial product issuers in the ordinary course of business.

#### 7. Responsibility

The liability of Ernst & Young Transaction Advisory Services, if any, is limited to the contents of this Financial Services Guide and the Report.

#### 8. Complaints process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial services. All complaints must be in writing and addressed to the AFS Compliance Manager or Chief Complaints Officer and sent to the address below. We will make every effort to resolve a complaint within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service Limited.

|   |  |
|---|--|
| <b>Contacting Ernst &amp; Young Transaction Advisory Services</b><br><br>AFS Compliance Manager<br>Ernst & Young<br>680 George Street<br>Sydney NSW 2000<br><br>Telephone: (02) 9248 5555 | <b>Contacting the Independent Dispute Resolution Scheme:</b><br><br>Financial Ombudsman Service Limited<br>PO Box 3<br>Melbourne VIC 3001 Telephone: 1300 78 08 08 |
|---|--|

This Financial Services Guide has been issued in accordance with ASIC Class Order CO 04/1572.

# Part C

## Section 1

### Independent Expert's Report

#### Ernst & Young

Assurance | Tax | Transactions | Advisory

#### About Ernst & Young

Ernst & Young is a global leader in assurance, tax, transaction and advisory services. Worldwide, our 130,000 people are united by our shared values and an unwavering commitment to quality. We make a difference by helping our people, our clients and our wider communities achieve potential.

For more information, please visit [www.ey.com/au](http://www.ey.com/au)

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## 2.1 Introduction

The following comments have been prepared by PricewaterhouseCoopers in accordance with its engagement letter with Golden Circle. They are intended only as a general summary of the Australian tax consequences of the Heinz Proposal for Golden Circle Shareholders who are Scheme Shareholders and should not be relied upon as advice. PricewaterhouseCoopers has not considered individual Golden Circle Shareholders circumstances. Golden Circle Shareholders should seek their own independent legal, financial and taxation advice based upon their specific circumstances.

This summary is relevant for Golden Circle Shareholders who are Scheme Shareholders and who hold their Golden Circle Shares on capital account. The income tax consequences may differ for Golden Circle Shareholders who hold their Golden Circle Shares on revenue account, as trading stock or as part of a profit-making undertaking or scheme, or where they are insurance companies, life companies or financial institutions.

The tax consequences for Golden Circle employees who hold Golden Circle Shares or Options are not discussed in this summary as the tax implications will be specific for each employee.

This summary is based upon Australian taxation law in force at the date of this Explanatory Booklet.

## 2.2 Taxation consequences of disposal of Golden Circle Shares by Australian residents

If the Scheme becomes Effective, the transfer of Shares to Heinz will constitute a disposal of those Shares.

The disposal of Shares to Heinz under the Scheme will constitute a 'CGT event' under Part 3-1 of the Income Tax Assessment Act 1997. The effective date of disposal for CGT purposes will be the Implementation Date.

A capital gain may arise for a Golden Circle Shareholder from the disposal of Shares where the capital proceeds from the disposal exceed the cost base of the Shares. A capital loss may arise for a Golden Circle Shareholder from the disposal of Shares where the capital proceeds from the disposal are less than the reduced cost base of the Shares.

The capital proceeds from the disposal of the Shares will be equal to the Scheme Consideration

of \$1.65 per Share. The cost base and reduced cost base is generally the cost of acquiring the Shares, plus any incidental costs of acquisition and disposal that are not deductible to the Golden Circle Shareholder. In certain circumstances, the cost base may be adjusted as a result of indexation (see below). The reduced cost base cannot be adjusted for indexation.

Any capital gain or capital loss may be disregarded where the Golden Circle Shareholder acquired their Shares prior to 20 September 1985 (ie. the Shares are pre-CGT Shares). This is discussed further below.

### Income tax implications on the disposal of pre-GST Shares

Prima facie, a capital gain or loss arising from the disposal of pre-CGT Shares should be disregarded for income tax purposes and therefore no taxable gain or loss should arise for Golden Circle Shareholders.

However, if the market value of property acquired by Golden Circle on or after 20 September 1985 is at least 75% of Golden Circle's net value at the time the Shares are disposed (the Implementation Date), then CGT Event K6 will occur.

If CGT Event K6 occurs, there will only be a capital gain to the extent that the capital proceeds received from the sale of the Shares can be said to be attributable to a gain on the post-CGT property owned by Golden Circle. Golden Circle Shareholders cannot make a capital loss from CGT Event K6.

High level testing performed at 30 June 2008 indicated that CGT Event K6 was not applicable at that date on the basis that the market value of Golden Circle's post-CGT property was not 75% or more of Golden Circle's net value. Consequently, based on this testing, it is probable that there should be no capital gain for a Golden Circle Shareholder who disposes of Shares that were acquired prior to 20 September 1985. In order to confirm this treatment, detailed calculations will be required to be performed as at the date of disposal of the Shares (the Implementation Date). Shareholders will be notified of this calculation in time to prepare their annual income tax returns.

Should a capital gain arise for a Golden Circle Shareholder from the disposal of pre-CGT Shares, the income tax consequences will depend upon the Golden Circle Shareholder's status and specific circumstances as outlined below.



# Part C

## Section 2

### Tax implications of the Scheme

#### Income tax implications on the disposal of Post-CGT Shares or Pre-CGT Shares subject to CGT Event K6

The tax consequences for Golden Circle Shareholders from the disposal of Shares will depend upon their status and specific circumstances, as outlined below:

##### (a) Individuals and Complying Superannuation Funds

Individuals and complying superannuation funds may be entitled to a 'CGT discount' in relation to any capital gain made in respect of the disposal of the Shares, provided that the Shares are held for at least 12 months. Broadly, where the CGT discount applies, individuals will be liable to CGT on 50% of any capital gain and complying superannuation funds will be subject to CGT on two-thirds of any capital gain.

##### (b) Companies

Golden Circle Shareholders that are companies (other than in the capacity as a trustee) are not entitled to the CGT discount in respect of the disposal of the Shares. Any capital gain that a company makes on the disposal of its Shares, to the extent that it is not offset by any capital losses of the company, will be included in its assessable income and subject to tax at the corporate tax rate of 30%.

##### (c) Trustees

Where no beneficiaries are presently entitled to the income of a trust that is a Golden Circle Shareholder, the trustee will be assessable on the net income of the trust, which will generally include the full amount of any capital gain in respect of the disposal of the Shares. Trustees should obtain specific tax advice as to whether they are entitled to obtain the benefit of the 50% CGT discount.

Where beneficiaries are presently entitled to the income of a trust, the net capital gain for the trust is determined with the benefit of the 50% CGT discount where the Shares have been held for at least 12 months. Upon distribution by the trustee, the net capital gain would be grossed up to 100% in the hands of beneficiaries. Beneficiaries that are individuals or complying superannuation funds should

then be entitled to the 50% CGT discount for individuals and the one third CGT discount for complying superannuation funds in respect of the disposal of the Shares by the trust. Beneficiaries that are companies are not entitled to the CGT discount.

#### Indexation

Where the Shares were acquired before 21 September 1999, the cost base of the Shares in calculating any capital gain may be increased for indexation based on the CPI movement from the date of acquisition to 30 September 1999. This indexation automatically applies to shareholders that have held their Shares for at least 12 months. Individuals, trusts, complying superannuation funds and listed investment companies are able to choose to apply either this indexation option or the CGT discount option (as above) if the Shares were held for at least 12 months, in calculating the capital gain from the disposal of the Shares.

#### 2.3 Taxation consequences of disposal of Golden Circle Shares by non-Australian residents

A Golden Circle Shareholder that is a non-resident for Australian taxation purposes (**Tax Non-Resident**) just before the CGT event happens (the Implementation Date) should not be liable for Australian CGT on disposal of the Shares where the Golden Circle Shareholder, together with their associates, does not beneficially hold, or have an option or right to acquire, 10% or more of Shares at the time of the CGT event or throughout a 12 month period in the 24 months prior to the time of the CGT event.

If a Golden Circle Shareholder that is a Tax Non-Resident beneficially holds, or has an option or right to acquire, together with their associates, 10% or more of the Shares in Golden Circle at the time of the CGT event or throughout a 12 month period in the 24 months prior to the time of the CGT event, any capital gain or capital loss that they make from a CGT event in respect of their Shares will be disregarded unless more than 50% of the total fair market value of the assets of Golden Circle consist of interests in Australian real property. In the event the capital gain or loss is not disregarded, Tax Non-Resident Golden Circle Shareholders should seek further advice in relation to their Australian income tax implications.

Golden Circle Shareholders who are Tax Non-Residents should note that the Australian taxation consequences from the disposal of Golden Circle Shares may be affected by any double tax



agreement between Australia and their country of residence for tax purposes.

#### **2.4 Stamp Duty**

No stamp duty will be payable by Golden Circle Shareholders on the disposal of their Golden Circle Shares under the Scheme.

#### **2.5 GST**

No Australian GST is payable by the Golden Circle Shareholders in connection with the disposal of their Golden Circle Shares under the Scheme.

## Part C

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#### Implementation Agreement

\*The copy of the Implementation Agreement reproduced in this Part C does not include the schedules and annexures that are separately set out in this Explanatory Booklet.

# Implementation Agreement

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Golden Circle Limited (**Golden Circle**)

H.J. Heinz Company Australia Limited (**Heinz**)

## Implementation Agreement

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## Details

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**Date** 6 October 2008

### Parties

|                 |  |
|-----------------|--|
| Name            | <b>Golden Circle Limited</b>                                       |
| ACN             | 054 355 618  |
| Short form name | <b>Golden Circle</b>   |
| Notice details  | 260 Earnshaw Road, Northgate, Queensland 4013                      |
|                 |  |
| Name            | <b>HJ Heinz Company Australia Limited</b>                          |
| ACN             | 004 200 319  |
| Short form name | <b>Heinz</b>   |
| Notice details  | Freshwater Place, 2 Southbank Boulevard, Southbank, Victoria, 3006 |

### Background

- A Golden Circle and Heinz have agreed to implement the Proposed Transaction on and subject to the terms and conditions of this agreement.
- B Heinz and Golden Circle have agreed certain other matters in connection with the Proposed Transaction as set out in this agreement.

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## Agreed terms

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### 1. Defined terms & interpretation

#### 1.1 Defined terms

In this agreement, unless the context otherwise requires, the following words and expressions have meanings as follows:

**ASIC** means the Australian Securities and Investments Commission.

**Business Day** means a day that is not a Saturday, Sunday or a public holiday or bank holiday in either Brisbane, Australia or Melbourne, Australia.

**Competing Proposal** means 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 Corporate of Heinz) would:

- (a) directly or indirectly, acquire an interest in, a relevant interest in or become the holder of:

- (i) more than 20% of the Shares; or
- (ii) the whole or a substantial part or a material part of the business or property of Golden Circle or the Golden Circle Group;
- (b) acquire control of Golden Circle, within the meaning of section 50AA of the Corporations Act; or
- (c) otherwise acquire or merge with Golden Circle (including by a reverse takeover bid, reverse scheme of arrangement or dual listed company structure).

**Conditions** means the conditions set out in clause 3.1 and **Condition** means any one of them.

**Confidentiality Deed** means the confidentiality deed between Golden Circle and Heinz dated 8 September 2008.

**Confidential Information** means Golden Circle Confidential Information or Heinz Confidential Information, as the context requires.

**Corporations Act** means the *Corporations Act 2001 (Cth)*.

**Court** means the Supreme Court of Queensland or any other court of competent jurisdiction under the Corporations Act determined by Golden Circle in consultation with Heinz.

**Deed Poll** means the deed poll to be executed by Heinz prior to the date the Explanatory Booklet is despatched to Golden Circle Shareholders, substantially in the form set out in Schedule 2 or in such other form as is acceptable to Golden Circle acting reasonably.

**Disclosure Letter** means the letter so entitled from Golden Circle provided to Heinz prior to the date of this agreement.

**Due Diligence Material** means the information disclosed by or on behalf of Golden Circle and its Subsidiaries, including in response to requests for information, to Heinz (or any of its directors, officers, employees or advisers) prior to the date of this agreement, as evidenced conclusively by the index annexed to the Disclosure Letter.

**EBITDA** means earnings from ordinary, continuing activities of the Golden Circle Group before interest, tax, depreciation and amortisation calculated in accordance with the accounting policies and practices applied by Golden Circle as at the date of this agreement, excluding Golden Circle's external advisory costs associated with the Scheme process and the Scheme;

**Effective** means, when used in relation to the Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to that Scheme.

**Effective Date**, with respect to the Scheme, means the date on which the Scheme becomes Effective.

**End Date** means;

- (a) 11.59pm on 31 January 2009; or
- (b) 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
- (c) such other date and time agreed in writing between Heinz and Golden Circle.

**Excluded Scheme Shareholder** means:

- (a) Heinz; and

- (b) any Golden Circle Shareholder who holds a Share on behalf of Heinz.

**Exclusivity Period** means the period commencing on the date of this agreement and ending on the earliest of:

- (a) the End Date;
- (b) the Effective Date of the Scheme; and
- (c) the date this agreement is terminated in accordance with its terms.

**Explanatory Booklet** means the explanatory booklet to be prepared by Golden Circle in respect of the Proposed Transaction in accordance with the terms of this agreement and to be despatched to Golden Circle Shareholders.

**FATA** means the *Foreign Acquisitions and Takeovers Act 1975 (Cth)*.

**First Court Date** means the date the Court first hears the application to order the convening of the Scheme Meeting under section 411(1) of the Corporations Act.

**GE** means GE Capital Asset Services and Trading Asia Pacific Pty Ltd ACN 078 961 118.

**Golden Circle Board** means the board of directors of Golden Circle as constituted from time to time (or any committee of the board of directors of Golden Circle constituted to consider the Proposed Transaction on behalf of Golden Circle).

**Golden Circle Confidential Information** means any information in relation to Golden Circle that qualifies as 'Confidential Information', as that term is defined in the Confidentiality Deed.

**Golden Circle Group** means Golden Circle and its Subsidiaries.

**Golden Circle Indemnified Parties** means each member of the Golden Circle Group, and its respective directors and Representatives.

**Golden Circle Information** means information to be included by Golden Circle in the Explanatory Booklet that explains the effect of the Scheme and sets out the information prescribed by the regulations to the Corporations Act and any other information that is material to the making of a decision by Golden Circle Shareholders whether or not to vote in favour of the Scheme, being information that is within the knowledge of Golden Circle's directors and has not previously been disclosed to Golden Circle Shareholders, other than the Heinz Information and the Independent Expert's Report.

**Golden Circle Prescribed Occurrence** means the occurrence of any of the following on or after the date of this agreement:

- (a) Golden Circle converting all or any of its shares into a larger or smaller number of shares;
- (b) any member of the Golden Circle Group resolving to reduce its share capital in any way or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;
- (c) any member of the Golden Circle Group:
  - (i) entering into a buy-back agreement; or
  - (ii) resolving to approve the terms of a buy-back agreement under the Corporations Act;
- (d) Golden Circle declaring, paying or distributing any dividend, bonus or other share of its profits or assets or returning or agreeing to return any capital to its members;

- (e) any member of the Golden Circle Group issuing shares, granting an option over its shares, or granting any similar right, or agreeing to make such an issue or grant such an option or similar right other than issuing Shares pursuant to the exercise of an Option existing prior to the date of this agreement in accordance with its terms;
- (f) any member of the Golden Circle Group issuing or agreeing to issue, securities or other instruments convertible into shares or debt securities;
- (g) any member of the Golden Circle Group making any change or amendment to its constitution;
- (h) any member of the Golden Circle Group creating, or agreeing to create, any Security Interest over the whole, or a substantial part, of its business or property;
- (i) any member of the Golden Circle Group breaching a Material Contract in any material respect;
- (j) an Insolvency Event occurring in relation to any member of the Golden Circle Group;
- (k) except as required by law, any member of the Golden Circle Group changing any significant accounting policy or practice applied by them to report their financial position;
- (l) any member of the Golden Circle Group making any loans, advances or capital contributions to or investments in any person other than a wholly-owned Subsidiary of Golden Circle, other than in the ordinary and usual course of business;
- (m) except as required by law or any contract in effect as at the date of this agreement and disclosed in writing to Heinz before the date of this agreement, any member of the Golden Circle Group:
  - (i) increasing or agreeing to increase the remuneration of or paying or agreeing to pay any bonus or issuing or agreeing to issue any securities or options to, or otherwise varying the employment arrangements with, any of its directors or employees other than, in the case of employees, in the ordinary course of business;
  - (ii) accelerating or agreeing to accelerate the rights to any of its directors or employees to benefits of any kind other than, in the case of employees, in the ordinary course of business;
  - (iii) paying or agreeing to pay a director, executive or employee a termination payment; or
  - (iv) making any payment to any professional adviser in connection with the Scheme;
- (n) any member of the Golden Circle Group cancelling, materially amending or failing to renew on its expiry any existing insurance policy;
- (o) any member of the Golden Circle Group entering into a contract or commitment restraining it from competing with any person or conducting activities in any market;
- (p) any member of the Golden Circle Group initiates or enters into an agreement to lease, acquire or dispose of any asset or business (or any interest in any assets or business) or to perform or acquire the benefit of any services in relation to any asset or business or interest therein having a value greater than \$2 million or to terminate, amend or waive any of the material terms applicable to any Material Contract;
- (q) any member of the Golden Circle Group taking or failing to take any action that would result in a Licence being cancelled, suspended, revoked or amended in any material respect; or

- (r) any member of the Golden Circle Group taking or failing to take any action that would result in a failure to reasonably protect the Golden Circle Group's registered trade marks or patents,

provided that a Golden Circle Prescribed Occurrence will not include any matter:

- (i) required to be done or procured by Golden Circle pursuant to, or which is otherwise contemplated by, this agreement or the Scheme;
- (ii) to the extent it is fairly disclosed in the Due Diligence Material or the Disclosure Letter; or
- (iii) the undertaking of which Heinz has approved in writing, which approval must not be unreasonably withheld or delayed.

**Golden Circle Shareholder** means each person who is registered in the Register as a holder of Shares.

**Golden Circle Warranties** means the warranties of Golden Circle set out in clause 9.3.

**Headcount Test** means the requirement under section 411(4)(a)(ii)(A) of the Corporations Act that the resolution to approve the Scheme at the Scheme Meeting is passed by a majority in number of Golden Circle Shareholders present and voting, either in person or by proxy.

**Heinz Confidential Information** means any of Heinz's commercial information disclosed or otherwise supplied by or on behalf of any of those persons to Golden Circle or any of its directors, officers, employees, consultants, advisers or associates, and in whatever form or medium, and includes notes, records and copies made by Golden Circle or any of its directors, officers, employees, consultants, advisers or associates of such information but excludes information which is in the public domain (other than as a result of a breach of this agreement by Golden Circle).

**Heinz Counterproposal** has the meaning in clause 14.4(f).

**Heinz Indemnified Parties** means Heinz, its Related Bodies Corporate and their respective directors and Representatives.

**Heinz Information** means such information regarding Heinz that is provided by or on behalf of Heinz to Golden Circle or the Independent Expert:

- (a) to enable the Explanatory Booklet to be prepared and completed in compliance with all applicable laws;
- (b) to enable applications for Regulatory Approvals to be made; and
- (c) otherwise in compliance with Heinz's obligations under clause 6.2(a).

**Heinz Prescribed Occurrence** means the occurrence of an Insolvency Event in relation to Heinz.

**Heinz Warranties** means the warranties of Heinz set out in clause 9.1.

**Implementation Date** means, with respect to the Scheme, the third Business Day, or such other Business Day as the parties agree, following the Record Date for the Scheme.

**Independent Expert** means an expert, independent of the parties, engaged by Golden Circle in good faith to opine on whether the Scheme is in the best interests of Golden Circle Shareholders.

**Independent Expert's Report** means the report prepared by the Independent Expert and stating whether the Scheme is in the best interests of Golden Circle Shareholders.

**Insolvency Event** means in relation to a person:



- (a) **insolvency official:** the appointment of a liquidator, provisional liquidator, administrator, statutory manager, controller, receiver, receiver and manager or other insolvency official (whether under an Australian law or a foreign law) to the person or to the whole or a substantial part of the property or assets of the person and the action is not stayed, withdrawn or dismissed within 14 days;
- (b) **arrangements:** the entry by the person into a compromise or arrangement with its creditors generally;
- (c) **winding up:** the calling of a meeting to consider a resolution to wind up the person (other than where the resolution is frivolous or cannot reasonably be considered to be likely to lead to the actual winding up of the person) or the making of an application or order for the winding up or deregistration of the person other than where the application or order (as the case may be) is set aside or withdrawn within 14 days;
- (d) **(suspends payments)** the person suspends or threatens to suspend payment of its debt as and when they become due;
- (e) **ceasing business:** the person ceases or threatens to cease to carry on business;
- (f) **insolvency:** the person is or becomes unable to pay its debts when they fall due within the meaning of the Corporations Act or is otherwise presumed to be insolvent under the Corporations Act;
- (g) **deregistration:** the person being deregistered as a company or otherwise dissolved; or
- (h) **deed of company arrangement:** the person executing a deed of company arrangement.

**Licence** means any licence, permit or similar authorisation issued by a Regulatory Authority to any member of the Golden Circle Group that is necessary for the lawful conduct of the Golden Circle Group's business as at the date of this agreement.

**Listing Rules** means the official listing rules of NSX as amended from time to time.

**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 public) where that matter, event or circumstance:

- (a) 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
- (b) 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;

other than:

- (c) a matter, event or circumstance required to be done or procured by Golden Circle pursuant to this agreement or the Scheme;
- (d) a matter, event or circumstance to the extent that it was fairly disclosed in the Due Diligence Material;
- (e) a matter, event or circumstance to the extent that it was fairly disclosed in the Disclosure Letter; or

- (f) a matter, event or circumstance to the extent that it was apparent or reasonably ascertainable by Heinz or its Representatives from information that was publicly available at least two Business Days prior to the date of this agreement from public filings with NSX or ASIC.

**Material Contract** means, in respect of any member of the Golden Circle Group, a contract or commitment with an annual spend of greater than \$2 million entered into prior to the date of this agreement that is material to the business of the Golden Circle Group.

**NSX** means National Stock Exchange of Australia Limited ACN 000 902 063 or, as the context requires, the financial market conducted by it.

**Option** means an option to acquire by way of issue a Share, being an option granted in accordance with the terms of the Golden Circle's employee option plan or otherwise granted by Golden Circle.

**Permitted Encumbrance** means any Security Interest arising in the ordinary course of business and any liens or other encumbrance arising through the operation of law or legislation which secure an obligation not yet due.

**Proposed Transaction** means the proposed acquisition by Heinz, in accordance with the terms and conditions of this agreement, of all of the Shares (other than the Shares held by an Excluded Scheme Shareholder) through the implementation of the Scheme.

**Record Date** means, in respect of the Scheme, 5.00pm on the fifth Business Day (or such other Business Day as the parties agree) following the date on which the Scheme becomes Effective.

**Register** means Golden Circle's register of members maintained under and in accordance with section 169 of the Corporations Act.

**Regulatory Approvals** means the approvals set out in clause 3.1(a) and any other regulatory consents that the parties agree are reasonably required to facilitate the Proposed Transaction.

**Regulatory Authority** means a government or governmental, semi-governmental or judicial entity or authority or any Minister, department, office or delegate of any government. It includes a self regulatory organisation established under statute or a financial market, 'clearing' or settlement facility, ASIC, NSX, the Australian Competition and Consumer Commission, the Foreign Investment Review Board, the Takeovers Panel and the Treasurer.

**Related Body Corporate** has the meaning given in section 50 of the Corporations Act.

**Representative** means, in respect of a party or any of its Related Bodies Corporate, an officer, employee or professional advisor of that party or any of its Related Bodies Corporate and for the purpose of clause 14 only **Representative** also includes in the case of Golden Circle, Anchorage Golden Circle Pty Ltd ACN 127 595 653, Anchorage Golden Circle Holdings Pty Limited ACN 127 595 331, Anchorage Capital Partners Pty Limited ACN 127 136 341, Jatoli Pty Limited ACN 119 783 194, Inter C Pty Ltd ACN 108 157 713 and their respective officers, employees or professional advisers.

**Scheme** means the proposed scheme of arrangement pursuant to Part 5.1 of the Corporations Act between Golden Circle and Scheme Shareholders in respect of all Scheme Shares, substantially in the form set out in Schedule 3 or in such other form as the parties agree in writing, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by each party.

**Scheme Consideration** means, in respect of each Scheme Share held by a Scheme Shareholder, \$1.65 cash.

**Scheme Meeting** means the meeting of Golden Circle Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on the Scheme and includes any meeting convened following any adjournment or postponement of that meeting.

**Scheme Shareholder** means a person who holds one or more Scheme Shares.

**Scheme Share** means a Share on issue as at the Record Date for the Scheme, other than any Share then held by an Excluded Scheme Shareholder.

**Second Court Date** means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme is heard or scheduled to be heard or, if the application is adjourned for any reason, means the date on which the adjourned application is heard or scheduled to be heard.

**Security Interest** means an interest or power:

- (a) reserved in or over an interest in any asset including, but not limited to, any retention of title (but not including any retention of title in favour of a supplier incurred in the ordinary course of business); or
- (b) created or otherwise arising in or over any interest in any asset under a bill of sale, mortgage, charge, lien, pledge, trust or power,

by way of security for the payment of a debt or any other monetary obligation or the performance of any other obligation and includes any agreement to grant or create any of the above but excludes any Permitted Encumbrance.

**Share** means an issued fully paid ordinary share in the capital of Golden Circle.

**Share Splitting** means the splitting by a holder of Shares into two or more parcels of Shares whether or not it results in any change in beneficial ownership of the Shares.

**Subsidiary** has the meaning given to that term in section 46 of the Corporations Act.

**Superior Proposal** means a bona fide Competing Proposal which:

- (a) 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
- (b) 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).

**Timetable** means the indicative timetable in relation to the Proposed Transaction set out in Schedule 1 with such modifications as may be agreed in writing by the parties.

**Treasurer** means the Treasurer of the Commonwealth of Australia.

## 1.2 Interpretation

In this agreement, headings and boldings are for convenience only and do not affect the interpretation of this agreement and, unless the context otherwise requires:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;

# Part C

## Section 3

### Implementation Agreement

- (c) other parts of speech and grammatical forms of a word or phrase defined in this agreement have a corresponding meaning;
- (d) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and any Regulatory Authority;
- (e) a reference to any thing (including, but not limited to, any right) includes a part of that thing but nothing in this clause 1.2(e) implies that performance of part of an obligation constitutes performance of the obligation;
- (f) a reference to a clause, party, annexure, exhibit or schedule is a reference to a clause of, and a party, annexure, exhibit and schedule to, this agreement and a reference to this agreement includes any annexure, exhibit and schedule;
- (g) a reference to a statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws amending, consolidating or replacing it, whether passed by the same or another Regulatory Authority with legal power to do so, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;
- (h) a reference to a document includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to a party to a document includes that party's successors and permitted assigns;
- (j) no provision of this agreement will be construed adversely to a party solely on the ground that the party was responsible for the preparation of this agreement or that provision;
- (k) a reference to an agreement other than this agreement includes an undertaking, deed, agreement or legally enforceable arrangement or understanding whether or not in writing;
- (l) a reference to a body, other than a party to this agreement (including, without limitation, an institute, association or authority), whether statutory or not:
  - (i) which ceases to exist; or
  - (ii) whose powers or functions are transferred to another body,is a reference to the body which replaces it or which substantially succeeds to its powers or functions;
- (m) where this agreement requires any party to use reasonable endeavours, that obligation does not require that party to make payment of money or to provide other valuable consideration to or for the benefit of any person;
- (n) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (o) the word 'includes' in any form is not a word of limitation;
- (p) a reference to '\$' or 'dollar' is to Australian currency; and
- (q) a reference to any time is a reference to that time in Brisbane.



## 2. Agreement to propose Scheme

- (a) Golden Circle agrees to propose and implement the Scheme on and subject to the terms and conditions of this agreement, and substantially in accordance with the Timetable.
- (b) Heinz agrees to assist Golden Circle in proposing and implementing the Scheme on and subject to the terms and conditions of this agreement, and substantially in accordance with the Timetable.

## 3. Conditions precedent and pre-implementation steps

### 3.1 Conditions to Scheme

Subject to this clause 3, the Scheme will not become Effective, and the respective obligations of the parties in relation to the implementation of the Scheme will not be binding, until each of the following conditions precedent is satisfied or waived to the extent and in the manner set out in this clause 3:

- (a) **(Regulatory Approvals):**
  - (i) **(ASIC and NSX)** before 8.00am on the Second Court Date, ASIC and NSX issue or provide such consents or approvals as are necessary or which Golden Circle and Heinz agree are necessary or desirable to implement the Scheme and such consent, approval or other act has not been withdrawn or revoked before 8.00am on the Second Court Date;
  - (ii) **(FIRB)** before 8.00am on the Second Court Date, either:
    - (A) the Treasurer (or his delegate) has provided a notice in writing (without any term or condition which Heinz reasonably considers unacceptable) stating or to the effect that, in terms of Australia's foreign investment policy, the Australian Government does not object to Heinz acquiring the Scheme Shares pursuant to the Scheme; or
    - (B) the period provided for under the FATA during which the Treasurer may make orders under section 18 or 22 of the FATA prohibiting the acquisition of the Scheme Shares by Heinz has elapsed without any such order being made; or
    - (C) if an interim order under section 22 of the FATA prohibiting such acquisition is made, the subsequent period for making a final order prohibiting the acquisition of the Scheme Shares by Heinz having elapsed without any such order being made;
  - (iii) **(Regulatory Authorities)** before 8.00am on the Second Court Date:
    - (A) all other approvals of a Regulatory Authority which are necessary or which Golden Circle and Heinz agree are necessary or desirable to implement the Scheme are obtained and such approvals are not withdrawn or revoked prior to that date; and
    - (B) none of the following has been issued or made:
      - (I) a conditional or unconditional decision, determination or statement by any Regulatory Authority to the effect that it objects to the Proposed Transaction, and that decision, determination or statement would have the effect or likely



- effect of materially impeding the implementation of the Scheme;
- (II) a preliminary or final decision, determination, or order issued by any Regulatory Authority preventing the Scheme; or
- (III) a temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or the Takeovers Panel or other legal restraint or prohibition preventing the Scheme;
- (b) **(No Material Adverse Change)** no Material Adverse Change occurs between the date of this agreement and 8.00am on the Second Court Date;
- (c) **(No Golden Circle Prescribed Occurrence)** no Golden Circle Prescribed Occurrence occurs between the date of this agreement and 8.00am on the Second Court Date;
- (d) **(No Heinz Prescribed Occurrence)** no Heinz Prescribed Occurrence occurs between the date of this agreement and 8.00am on the Second Court Date;
- (e) **(No change of Golden Circle Board recommendation)** between the date of this agreement and the date of the Scheme Meeting, none of the Directors of Golden Circle changing, qualifying or withdrawing their unanimous recommendation to Golden Circle Shareholders to vote in favour of the Scheme, which recommendation may be expressed to be given:
  - (i) in the absence of a Superior Proposal; and
  - (ii) subject to the Independent Expert concluding that the Scheme is in the best interest of Golden Circle Shareholders;
- (f) **(Golden Circle Warranties)** the Golden Circle Warranties being true and correct on the date of this agreement and at 8.00am on the Second Court Date;
- (g) **(Heinz Warranties)** the Heinz Warranties being true and correct on the date of this agreement and at 8.00am on the Second Court Date;
- (h) **(Shareholder approval)** the Scheme is approved by Golden Circle Shareholders at the Scheme Meeting by the majorities required under section 411(4)(a)(ii) of the Corporations Act;
- (i) **(Court approval)** the Scheme is approved by the Court in accordance with section 411(4)(b) of the Corporations Act; and
- (j) **(GE consent)** before 8.00am on the Second Court Date, GE consents in writing to implementation of the Proposed Transaction and all other applicable transactions contemplated by the Scheme either without conditions or requirements or with conditions and requirements acceptable to Golden Circle and Heinz.

### 3.2 Benefit and waiver of conditions precedent

- (a) The condition precedent in clauses 3.1(a) and 3.1(j) are for the benefit of each party and any breach or non-fulfilment of them may only be waived (if capable of waiver) with the written consent of both parties, which consent either party may give or withhold in its absolute discretion.
- (b) The conditions precedent in clauses 3.1(b), 3.1(c), 3.1(e) and 3.1(f) are for the sole benefit of Heinz and any breach or non-fulfilment of them may only be waived by Heinz giving its written consent.

- (c) The conditions precedent in clauses 3.1(d) and 3.1(g) are for the sole benefit of Golden Circle and any breach or non-fulfilment of them may only be waived by Golden Circle giving its written consent.
- (d) A party entitled to waive a condition precedent pursuant to this clause 3.2 may do so in its absolute discretion. Any waiver of a condition precedent by a party for whose benefit the condition applies must take place on or prior to 8.00am on the Second Court Date. The conditions precedent in clauses 3.1(h) and 3.1(i) cannot be waived.
- (e) If a party waives the breach or non-fulfilment of any of the conditions precedent in clause 3.1, that waiver will not preclude it from suing the other party for any breach of this agreement including without limitation a breach that resulted in the non-fulfilment of the condition precedent that was waived.

### 3.3 Reasonable endeavours

Each of Golden Circle and Heinz will use their respective reasonable endeavours to procure that each of the conditions precedent in clause 3.1 are satisfied as soon as reasonably practicable after the date of this agreement or continues to be satisfied at all times until the last time they are to be satisfied (as the case may require).

### 3.4 Notifications

Each party must:

- (a) keep the other promptly and reasonably informed of the steps it has taken and of its progress towards satisfaction of the conditions precedent in clause 3.1;
- (b) promptly notify the other in writing if it becomes aware that any condition precedent in clause 3.1 has been satisfied; and
- (c) promptly notify the other in writing if it becomes aware that any condition precedent in clause 3.1 is or has become incapable of being satisfied or is not reasonably capable of being satisfied (having regard to the respective obligations of each party under clause 3.3 and the terms of clause 3.8).

### 3.5 Pre-implementation steps

Without limiting the generality of clause 3.3:

- (a) **(Regulatory Approvals)** each party will promptly apply for all relevant Regulatory Approvals and provide to the other a copy of all such applications and take all steps it is responsible for as part of the approval process, including responding to requests for information at the earliest practicable time, and will provide the other party with all information reasonably requested in connection with the applications for Regulatory Approval;
- (b) **(Participation)** each party shall have the right to be represented and make submissions at any proposed meeting with any Regulatory Authority relating to any Regulatory Approval; and
- (c) **(Certificate)** on the Second Court Date:
  - (i) the parties will provide a joint certificate to the Court confirming whether or not the condition precedent set out in clauses 3.1(a) and 3.1(j) have been satisfied or waived in accordance with the terms of this agreement;
  - (ii) Heinz will provide a certificate to the Court confirming whether or not the conditions precedent set out in clauses 3.1(b), 3.1(c), 3.1(e) and 3.1(f) have been satisfied or waived in accordance with the terms of this agreement; and

- (iii) Golden Circle will provide a certificate to the Court confirming whether or not the conditions precedent set out in clauses 3.1(d) and 3.1(g) have been satisfied or waived in accordance with the terms of this agreement.

#### 3.6 Scheme voted down

If the Scheme is not approved by Golden Circle Shareholders at the Scheme Meeting by reason only of the non-satisfaction of the Headcount Test, and Heinz or Golden Circle considers acting reasonably that Share Splitting or some abusive or improper conduct may have caused or contributed to the Headcount Test not having been satisfied then Golden Circle must:

- (a) apply for an order of the Court contemplated by section 411(4)(a)(ii)(A) of the Corporations Act to disregard the Headcount Test and seek Court approval of the Scheme under section 411(4)(b) of the Corporations Act, notwithstanding that the Headcount Test has not been satisfied; and
- (b) make such submissions to the Court and file such evidence as Counsel engaged by Golden Circle to represent it in all Court proceedings related to the Scheme, in consultation with the Heinz, considers is reasonably required to seek to persuade the Court to exercise its discretion under section 411(4)(a)(ii)(A) of the Act by making an order to disregard the Headcount Test.

#### 3.7 Conditions precedent not met

- (a) If:
  - (i) any condition precedent contained in clause 3.1 is not satisfied or (where capable of waiver) waived by the date specified in this agreement for its satisfaction (or an event occurs which would prevent a condition precedent being satisfied by the date specified in this agreement); or
  - (ii) the Scheme does not become Effective by the End Date,then Golden Circle and Heinz must consult in good faith with a view to determining whether:
  - (iii) the Scheme may proceed by way of alternative means or methods;
  - (iv) to extend the relevant time or date for satisfaction of the conditions precedent contained in clause 3.1;
  - (v) to change the date of the application to be made to the Court for orders under section 411(4)(b) of the Corporations Act approving the Scheme or adjourning that application (as applicable) to another date agreed by the parties; or
  - (vi) to extend the End Date.
- (b) Subject to clauses 3.7(c) and 3.7(d), if a condition precedent contained in clause 3.1 becomes incapable of being satisfied before the End Date and Golden Circle and Heinz are unable to reach agreement under clause 3.7(a) within 5 Business Days of the date on which they both become aware that the condition precedent in clause 3.1 has become incapable of being satisfied (or, if earlier, by 8.00am on the Second Court Date), then unless the condition precedent in clause 3.1 (where capable of waiver) is waived:
  - (i) in relation to the condition precedent in clauses 3.1(a) and 3.1(j) either party may terminate this agreement by giving the other notice without any liability to the other party by reason of that termination alone;

- (ii) in relation to the conditions precedent in clauses 3.1(b), 3.1(c), 3.1(e), 3.1(f), Heinz may terminate this agreement by giving Golden Circle notice without any liability to the other party by reason of that termination alone; and
  - (iii) in relation to the conditions precedent in clauses 3.1(d) and 3.1(g), Golden Circle may terminate this agreement by giving Heinz notice without any liability to the other party by reason of that termination alone.
- (c) A party will not be entitled to terminate this agreement pursuant to clause 3.7(b) if the relevant condition precedent contained in clause 3.1 has not been satisfied as a result of:
  - (i) a breach of this agreement by that party; or
  - (ii) a deliberate act or omission of that party which either alone or together with other circumstances prevents that condition being satisfied.
- (d) Subject to the rights of the parties under clauses 10, 11.4, 13, 15 and 16.3 to 16.18 inclusive following any termination under clause 3.7(b), no party will have any liability to the other party in respect of this agreement, other than in respect of a breach of this agreement occurring prior to such termination.

### 3.8 Regulatory Approvals

- (a) For the purpose of clause 3.1(a), the parties agree that a Regulatory Approval will be regarded as having been obtained even if a Regulatory Approval is given on a conditional basis, provided that the relevant condition or conditions is or are only of a procedural nature or relate(s) to the timing of any step or transaction contemplated or required by this agreement or the Scheme.
- (b) For the avoidance of doubt, any condition attached to a Regulatory Approval that is not of a procedural nature or does not relate only to the timing of any step or transaction contemplated or required by this agreement or the Scheme, including any commitment which would require divestiture of assets by any member of the Golden Circle Group or Heinz or restrict the way in which one of their businesses is or may be carried on, will mean that either party may treat the Regulatory Approval as not having been obtained.

## 4. Scheme

### 4.1 Scheme

Golden Circle must, as soon as reasonably practicable after the date of this agreement and substantially in compliance with the Timetable, propose the Scheme under which, subject to the Scheme becoming Effective, all of the Scheme Shares will be transferred to Heinz and the Scheme Shareholders will be entitled to receive, for each Scheme Share held at the Record Date, the Scheme Consideration.

### 4.2 Scheme Consideration

Heinz covenants in favour of Golden Circle, in consideration for and simultaneously with the transfer to Heinz of the Scheme Shares held by each Scheme Shareholder under the terms of the Scheme, to provide to each Scheme Shareholder the Scheme Consideration on the Implementation Date and otherwise in accordance with the Scheme.

## 5. Options – private treaty arrangements

As soon as reasonably practicable after the date of this agreement but in any event within 15 Business Days of that date, Golden Circle must use all reasonable endeavours to obtain the



written agreement of each person who is a holder of Options to have their Options cancelled (including the cancellation of the agreement to issue 800,000 additional Options), with effect on and from 4.00pm on the Implementation Date, in consideration of Golden Circle amending the terms of each Option holder's employment agreement, by way of side letter, to provide that the holder of the Options, in their capacity as a Golden Circle employee, will be eligible to receive a cash bonus in accordance with principles agreed between the parties. The side letter amendment to the employment agreement will be expressed to be subject to the Scheme becoming Effective and to all other holders of Options agreeing to have their Options cancelled (including the cancellation of the agreement to issue 800,000 additional Options), with this second condition being able to be waived by Heinz. The form of side letter agreement to be used for this purpose must be acceptable to both Golden Circle and Heinz acting reasonably.

## 6. Scheme – parties' respective implementation obligations

### 6.1 Golden Circle's obligations

Golden Circle must take all steps reasonably necessary to implement the Scheme as soon as reasonably practicable after the date of this agreement and substantially in accordance with the Timetable, including without limitation taking each of the following steps:

- (a) **(Explanatory Booklet)** prepare the Explanatory Booklet in accordance with clause 6.3;
- (b) **(Independent Expert)** promptly appoint the Independent Expert and provide all assistance and information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's Report for inclusion in the Explanatory Booklet;
- (c) **(approval of draft for ASIC)** as soon as reasonably practicable after the preparation of an advanced draft of the Explanatory Booklet suitable for review by ASIC, procure that a meeting of the Golden Circle Board, or of a committee of the Golden Circle Board appointed for the purpose, is convened to consider approving that draft as being in a form appropriate for provision to ASIC for its review and approval for the purposes of section 411(2) of the Corporations Act;
- (d) **(liaison with ASIC)** as soon as reasonably practicable after the date of this agreement:
  - (i) provide an advanced draft of the Explanatory Booklet, in a form approved in accordance with clauses 6.1(c) and 6.2(d), to ASIC for its review and approval for the purposes of section 411(2) of the Corporations Act;
  - (ii) liaise with ASIC during the period of its consideration of that draft of the Explanatory Booklet; and
  - (iii) keep Heinz informed of any matters raised by ASIC in relation to the Explanatory Booklet, and use all reasonable endeavours in co-operation with Heinz to resolve any such matters, including, at Heinz's request, allowing Heinz to attend meetings and discussions with ASIC (provided that ASIC expresses no objection);
- (e) **(approval of Explanatory Booklet)** as soon as reasonably practicable after the conclusion of the review by ASIC of the Explanatory Booklet, procure that a meeting of the Golden Circle Board, or of a committee of the Golden Circle Board appointed for the purpose, is convened to consider approving the Explanatory Booklet for despatch to the Golden Circle Shareholders, subject to approval of the Court;



- (f) **(engage suitable counsel)** engage experienced counsel satisfactory to Golden Circle to represent Golden Circle in all Court proceedings related to the Scheme;
- (g) **(section 411(17)(b) statements)** apply to ASIC for the production of statements in writing pursuant to section 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme;
- (h) **(Court documents)** consult with Heinz and its Representatives in relation to the content of the documents required for each of the Court hearings held for the purposes of sections 411(1) and 411(4)(b) of the Corporations Act in relation to the Scheme (including originating process, affidavits, submissions and draft minutes of Court orders) and consider in good faith, for the purpose of amending drafts of those documents, comments from Heinz and its Representatives on those documents;
- (i) **(First Court Hearing)** lodge all documents with the Court and take all other reasonable steps to ensure that promptly after, and provided that, the approvals in clauses 6.1(e) and 6.2(e) have been received, an application is heard by the Court for an order under section 411(1) of the Corporations Act directing Golden Circle to convene the Scheme Meeting;
- (j) **(registration of explanatory statement)** request ASIC to register the explanatory statement included in the Explanatory Booklet in relation to the Scheme in accordance with section 412(6) of the Corporations Act;
- (k) **(promote Scheme)** in the absence of a Superior Proposal, promote the Scheme to Golden Circle shareholders, including soliciting proxy votes in favour of the Scheme;
- (l) **(convening Scheme Meeting)** take all reasonable steps necessary to comply with the orders of the Court including, as required, despatching the Explanatory Booklet to the Golden Circle Shareholders and convening and holding the Scheme Meeting;
- (m) **(Court approval application if parties agree that conditions are capable of being satisfied)** if the resolution submitted to the Scheme Meeting is passed by the majorities required under section 411(4)(a)(ii) of the Corporations Act (or, where clause 3.6 applies, the majority required under section 411(4)(a)(ii)(B) of the Corporations Act) and, if necessary, the parties agree on the Business Day immediately following the Scheme Meeting that it can be reasonably expected that all of the conditions precedent in clause 3.1 will be satisfied prior to the proposed Second Court Date, apply (and, to the extent necessary, re-apply) to the Court for orders approving the Scheme;
- (n) **(appeal process)** if the Court refuses to make any orders directing Golden Circle to convene the Scheme Meeting or approving the Scheme, Golden Circle and Heinz must consult with each other in good faith as to whether to appeal the Court's decision. In particular, if, in the opinion of an independent Queen's Counsel or Senior Counsel, practising in Brisbane, Melbourne or Sydney in the area of corporate law, reasonably acceptable to Heinz indicates that there are reasonable prospects of successfully appealing the Court's decision then:
  - (i) Golden Circle must appeal the Court's decision, the cost of which is to be borne equally by Heinz and Golden Circle; and
  - (ii) Golden Circle and Heinz must seek to agree in good faith an extension of the End Date by a period of not more than 6 months to account for the period for determination of the appeal on an expedited basis;
- (o) **(implementation of Scheme)** if the Scheme is approved by the Court:

# Part C

## Section 3

### Implementation Agreement

- (i) subject to the Listing Rules, promptly lodge with ASIC an office copy of the orders approving the Scheme in accordance with section 411(10) of the Corporations Act;
  - (ii) determine entitlements to the Scheme Consideration as at the Record Date in accordance with the Scheme;
  - (iii) provide all necessary information about the Scheme Shareholders to Heinz which Heinz reasonably requires to facilitate the provision by Heinz of the Scheme Consideration and for this purpose direct Golden Circle's share registry to promptly provide any information that Heinz reasonably requests (excluding information Golden Circle is prohibited by law or by the operating rules of any financial market or clearing and settlement facility from providing) in relation to the Golden Circle Share Register, including any CHESS sub-register and issuer sponsored sub-register;
  - (iv) register all transfers of Scheme Shares to Heinz in accordance with the Scheme; and
  - (v) do all other things contemplated by or necessary to give effect to the Scheme and the orders of the Court approving the Scheme;
- (p) **(employee incentive plans)** terminate any employee share plan, Option plan, or similar plan that Golden Circle has in place with effect from the Implementation Date;
- (q) **(Access to information)** up to the Effective Date, provide Heinz and its Representatives with reasonable access during normal business hours to:
- (i) the Golden Circle Group's employees, offices, properties and other facilities for the purpose of implementing the Scheme or that may reasonably be required by Heinz, its advisers and its debt providers;
  - (ii) all information concerning the Golden Circle Group, including information contained in any books and records of any member of the Golden Circle Group for the purposes of implementing the Scheme or that may reasonably be required by Heinz, its advisers and its debt providers;
  - (iii) all information about Golden Circle and its Subsidiaries that Heinz reasonably requires to prepare the necessary documentation for obtaining any Regulatory Approvals;
  - (iv) monthly management accounts of Golden Circle and its Subsidiaries;
  - (v) board papers, reports and minutes in respect of Golden Circle and its Subsidiaries; and
  - (vi) any other material information relevant to the operation of the Golden Circle Group's business;
- provided that such access shall be subject to any confidentiality obligation owed by a member of the Golden Circle Group to a third party and any information provided under this paragraph (p) will be Confidential Information for the purposes of the Confidentiality Deed;
- (r) **(Regulatory notifications)** lodge with any Regulatory Authority within the relevant time periods all documentation and filings required by law to be so lodged by the Golden Circle in relation to the Proposed Transaction;

- (s) **(Share information)** at Heinz's expense, promptly send such notices under Part 6C.2 of the Corporations Act at such times and to such persons as Heinz reasonably requires, and give copies of the responses that Golden Circle receives to Heinz; and
- (t) **(Heinz Information)** without the prior written consent of Heinz, not use the Heinz Information for any purposes other than those expressly contemplated by this agreement or the Scheme.

## 6.2 Heinz's obligations

Heinz must take all steps reasonably necessary to assist Golden Circle to implement the Scheme as soon as reasonably practicable and substantially in accordance with the Timetable including, without limitation, taking each of the following steps:

- (a) **(Heinz Information)** provide to Golden Circle, in a form appropriate for inclusion in the Explanatory Booklet, all information regarding Heinz, the arrangements Heinz has in place to fund the Scheme Consideration, and Heinz's intentions with respect to the assets, business and employees of Golden Circle if the Scheme is approved and implemented that is required by all applicable law, the Listing Rules and ASIC Regulatory Guides for inclusion in the Explanatory Booklet, which information must (without limiting the foregoing):
  - (i) contain all information necessary to enable Golden Circle to ensure that the Explanatory Booklet complies with the requirements of ASIC Regulatory Guides 60 and 142;
  - (ii) not be misleading or deceptive in any material respect (whether by omission or otherwise) including in the form and context in which it appears in the Explanatory Booklet; and
  - (iii) be updated by all such further or new material information which may arise after the Explanatory Booklet has been despatched until the date of the Scheme Meeting which is necessary to ensure that it is not misleading or deceptive in any material respect (whether by omission or otherwise);
- (b) **(Independent Expert)** promptly provide all assistance and information reasonably requested by the Independent Expert to enable it to prepare the Independent Expert's Report for inclusion in the Explanatory Booklet;
- (c) **(review of Explanatory Booklet)** as soon as reasonably practicable after delivery, review the drafts of the Explanatory Booklet prepared by Golden Circle and provide comments on those drafts in good faith;
- (d) **(approval of draft for ASIC)** as soon as reasonably practicable after the preparation of an advanced draft of the Explanatory Booklet suitable for review by ASIC, procure that a meeting of the appropriate decision-making organ of Heinz is convened to consider approving those sections of that draft that relate to Heinz as being in a form appropriate for provision to ASIC for review;
- (e) **(approval of Explanatory Booklet)** as soon as reasonably practicable after the conclusion of the review by ASIC of the Explanatory Booklet, procure that a meeting of the appropriate decision-making organ of Heinz is convened to consider approving those sections of the Explanatory Booklet that relate to Heinz as being in a form appropriate for despatch to the Golden Circle Shareholders, subject to approval of the Court;
- (f) **(Representation)** procure that, if requested by Golden Circle, Heinz is represented by counsel at the Court hearings convened for the purposes of section 411(4)(b) of the Corporations Act, at which, through its counsel, Heinz will (if requested by the Court)

give all reasonable undertakings reasonably required on an individual basis and take all such reasonable steps within its power as may be necessary in order to ensure the fulfilment of its obligations under this agreement and the Scheme;

- (g) **(Deed Poll)** prior to the despatch of the Explanatory Booklet, enter into the Deed Poll and deliver the executed Deed Poll to Golden Circle;
- (h) **(Scheme Consideration)** if the Scheme becomes Effective, provide the Scheme Consideration in accordance with the Scheme; and
- (i) **(Golden Circle Information)** without the prior written consent of the Golden Circle, not use the Golden Circle Information for any purposes other than those expressly contemplated by this agreement or the Scheme.

#### 6.3 Explanatory Booklet - preparation principles

- (a) As soon as reasonably practicable after the date of this agreement and substantially in accordance with the Timetable, Golden Circle must prepare the Explanatory Booklet in compliance with:
  - (i) all applicable laws, in particular with the Corporations Act, ASIC Regulatory Guide 60, ASIC Regulatory Guide 142 and the Listing Rules; and
  - (ii) this clause 6.3.
- (b) The Explanatory Booklet will include:
  - (i) the terms of the Scheme;
  - (ii) the notice of Scheme Meeting, and any other notice of meeting in respect of any resolution that is necessary, expedient or incidental to give effect to the Scheme, together with a proxy form for the Scheme Meeting and for any ancillary meeting;
  - (iii) the Golden Circle Information;
  - (iv) the Heinz Information;
  - (v) a copy of this agreement (without the schedules);
  - (vi) a copy of the executed Deed Poll;
  - (vii) a copy of the Independent's Expert Report;
  - (viii) a statement that the Golden Circle Board unanimously recommends that Golden Circle Shareholders approve the Scheme in the absence of a Superior Proposal, unless prior to the issue of the Explanatory Booklet or prior to the Scheme Meeting the Golden Circle Board has changed its recommendation in accordance with clause 6.4;
  - (ix) a statement that each member of the Golden Circle Board with a relevant interest in Shares intends to vote those Shares in favour of the Scheme and any other resolution submitted to Golden Circle Shareholders or other security holders for their approval in connection with the Proposed Transaction, unless prior to the issue of the Explanatory Booklet or prior to the Scheme Meeting the Golden Circle Board has changed its voting intention in accordance with clause 6.5;
  - (x) a statement that the Heinz Indemnified Parties are not responsible for any information contained in the Scheme Booklet other than the Heinz Information; and



- (xi) a statement that Heinz is solely responsible for the Heinz Information.
- (c) Golden Circle must make available to Heinz drafts of the Explanatory Booklet (including any draft of the Independent Expert's Report), consult with Heinz in relation to the content of those drafts (other than the Heinz Information), and consider in good faith, for the purpose of amending those drafts, comments from Heinz and its Representatives on those drafts. Heinz acknowledges and agrees that Golden Circle has an absolute discretion with respect to the preparation, form and content of the Explanatory Booklet, other than as expressly provided in this agreement or with respect to the Heinz Information.
- (d) Golden Circle must seek approval from Heinz for the form and context in which the Heinz Information appears in the Explanatory Booklet, which approval Heinz must not unreasonably withhold or delay, and Golden Circle must not lodge the Explanatory Booklet with ASIC until such approval is obtained from Heinz.
- (e) Golden Circle must take all reasonable steps to ensure that the Explanatory Booklet is not misleading or deceptive in any material respect (whether by omission or otherwise) as at the date it is despatched to Golden Circle Shareholders.
- (f) Heinz must take all reasonable steps to ensure that the Heinz Information is not misleading or deceptive in any material respect (whether by omission or otherwise) as at the date on which the Explanatory Booklet is despatched to Golden Circle Shareholders.
- (g) Golden Circle must provide to Heinz all such further or new information of which Golden Circle becomes aware that arises after the Explanatory Booklet has been despatched until the date of the Scheme Meeting where this is or may be necessary to ensure that the Explanatory Booklet continues to comply with the Corporations Act, ASIC Regulatory Guide 60, ASIC Regulatory Guide 142 and the Listing Rules.
- (h) Heinz must provide to Golden Circle all such further or new information of which Heinz becomes aware that arises after the Explanatory Booklet has been despatched until the date of the Scheme Meeting where this is or may be necessary to ensure that the Heinz Information continues to comply with the Corporations Act, ASIC Regulatory Guide 60, ASIC Regulatory Guide 142 and the Listing Rules.
- (i) Golden Circle and Heinz each agree that the efficient preparation of the Explanatory Booklet and the implementation of the Scheme are in the interests of Golden Circle and Heinz shareholders and that they will use all reasonable endeavours and utilise all necessary resources (including management resources and the resources of external advisers) to comply with their respective obligations under this clause 6.3 and to implement the Scheme as soon as reasonably practicable and substantially in accordance with the Timetable.

#### 6.4 Golden Circle Board recommendation

- (a) The Golden Circle Board must:
  - (i) unanimously resolve that the Scheme is in the best interests of Golden Circle Shareholders and unanimously recommend that Golden Circle Shareholders vote in favour of the Scheme (qualified only by the words to the effect of "in the absence of a Superior Proposal") and any other resolution submitted to Golden Circle Shareholders for their approval in connection with the Proposed Transaction;
  - (ii) not subsequently change or withdraw its recommendation;
  - (iii) include in all public statements relating to the Proposed Transaction a statement to the effect of clause 6.4(a)(i); and



- (iv) not make any public statement or take any other action which would suggest that the Scheme is not unanimously recommended by Golden Circle Board,
- unless:
- (v) the Independent Expert concludes either prior to the despatch of the Explanatory Booklet or prior to the Scheme Meeting to the effect that the Scheme is not in the best interest of Golden Circle Shareholders; or
  - (vi) a Superior Proposal emerges and the Golden Circle Board publicly recommends the Superior Proposal.
- (b) For the purpose of this agreement, the parties acknowledge that a resolution or recommendation of the Golden Circle Board will be deemed to be unanimous if all Golden Circle directors vote in favour of the resolution or recommendation other than those precluded from doing so because of a material personal interest or some other actual or potential conflict of interest.

#### 6.5 Golden Circle Board intentions

Golden Circle will use its reasonable endeavours to procure that:

- (a) each member of the Golden Circle Board votes any Shares in which they have a relevant interest in favour of the Scheme and of any other resolution submitted to Golden Circle Shareholders for their approval in connection with the Proposed Transaction; and
  - (b) each member of the Golden Circle Board does not change that voting intention,
- unless:
- (c) the Independent Expert concludes either prior to the despatch of the Explanatory Booklet or prior to the Scheme Meeting to the effect that the Scheme is not in the best interest of Golden Circle Shareholders; or
  - (d) a Superior Proposal emerges and the Golden Circle Board publicly recommends the Superior Proposal.

### 7. Conduct of business

- (a) From the date of this agreement up to and including the Implementation Date, Golden Circle must conduct and must cause each of its Subsidiaries to conduct their businesses in the ordinary and usual course of business and, subject to doing so, make all reasonable efforts to:
  - (i) operate those businesses consistent with the business plans and budgets disclosed to Heinz prior to the date of this agreement and otherwise on a basis consistent with that adopted in the previous two years;
  - (ii) comply with all relevant laws; and
  - (iii) not take or fail to take any action that constitutes a Golden Circle Prescribed Occurrence or that could reasonably be expected to result in a Golden Circle Prescribed Occurrence.
- (b) Without limiting clause 7(a), Golden Circle must, and must procure that its Subsidiaries must, from the date of this agreement up to and including the Implementation Date:

- (i) make all reasonable efforts to preserve their relationships with customers, suppliers, partners, licensors, licensees, joint venturers and others with whom they have material business dealings;
  - (ii) not (except as required by law, as provided in an existing contract in place as at the date of this agreement or as agreed in writing by Heinz):
    - (A) increase or agree to increase the remuneration of or pay or agree to pay any bonus or issue or agree to issue any securities or options to, or otherwise vary the employment arrangements with, any directors or employees of the Golden Circle Group other than, in the case of employees, in the ordinary course of business;
    - (B) accelerate the rights of any of its directors or employees to benefits of any kind other than, in the case of employees, in the ordinary course of business;
    - (C) pay a director, executive or senior manager a termination payment, other than as provided for in an existing employment contract or other contract in place as at the date of this agreement and a copy of which has previously been provided to Heinz or included in the Due Diligence Material;
  - (iii) use its reasonable endeavours in the period prior to the Implementation Date to:
    - (A) retain all senior managers of the Golden Circle Group holding such positions on the date of this agreement; and
    - (B) procure that those senior managers continue to conduct the business and affairs of the Golden Circle Group in the ordinary and usual course of business,
  - (iv) use its reasonable endeavours in the period prior to the Implementation Date to:
    - (A) identify any change of control or similar provisions in its Material Contracts or Licences which may be activated by the Proposed Transaction;
    - (B) obtain the consents of relevant persons who have rights in respect of the provisions referred to in clause 7(b)(iv)(A); and
    - (C) keep Heinz reasonably informed of its progress in relation to the matters in clauses 7(b)(iv)(A) and 7(b)(iv)(B); and
  - (v) consult with Heinz concerning all renewals in respect of any Material Contracts and, to the extent applicable, all consents or renewals in respect of any Licence; and
  - (vi) until the Implementation Date, maintain similar insurance in both type and quantum over its assets and business as that held by each of the Golden Circle and its Subsidiaries as at the date of this agreement.
- (c) The obligations of Golden Circle under clauses 7(a) and 7(b) do not apply in respect of any matter:
- (i) required to be done or procured by Golden Circle pursuant to, or which is otherwise contemplated by, this agreement or the Scheme;

- (ii) fairly disclosed in the Due Diligence Material or the Disclosure Letter as being actions that the Golden Circle Group contemplated being carried out between the date of this agreement and the Implementation Date; or
- (iii) the undertaking of which Heinz has approved in writing (which approval must not be unreasonably withheld or delayed).

## 8. Reconstitution of the board of each member of the Golden Circle Group

Immediately after the Implementation Date but subject to the Scheme Consideration having been paid in full to Scheme Shareholders, Golden Circle must:

- (a) take all actions necessary to appoint the number of Heinz nominees to the Golden Circle Board and to the board of each Subsidiary of Golden Circle which gives those nominees acting together control of the Golden Circle Board and control of the board of each Subsidiary of Golden Circle; and
- (b) use its reasonable endeavours to ensure that those directors of the Golden Circle Board nominated by Heinz to resign, do resign and provide written notice to the effect that all such members of the Golden Circle Board have no outstanding claim for loss of office, remuneration or otherwise against Golden Circle.

## 9. Representations and warranties

### 9.1 Heinz representations

- (a) Heinz represents and warrants to Golden Circle (on its own behalf and separately as trustee for each of the other Golden Circle Indemnified Parties) each of the matters set out in clause 9.1(b) as at the date of this agreement and on each subsequent day until 8.00am on the Second Court Date (except that where any statement is expressed to be made only at a particular date it is given only at that date).
- (b) Heinz represents and warrants that:
  - (i) it is a validly existing corporation registered under the laws of its place of incorporation;
  - (ii) the execution and delivery of this agreement by Heinz has been properly authorised by all necessary corporate action and Heinz has full corporate power and lawful authority to execute and deliver this agreement and to perform or cause to be performed its obligations under this agreement;
  - (iii) this agreement constitutes legal, valid and binding obligations on it and this agreement does not result in a breach of or default under any deed or deed or any writ, order or injunction, rule or regulation to which Heinz is a party or to which Heinz is bound;
  - (iv) the Heinz Information provided to Golden Circle in accordance with clause 6.2(a) for inclusion in the Explanatory Booklet will:
    - (A) be provided in good faith;
    - (B) comply in all material respects with the requirements of the Corporations Act, the NSX Listing Rules, ASIC Regulatory Guide 60 and ASIC Regulatory Guide 142; and

- (C) on the understanding that each of the Golden Circle Indemnified Parties will rely on that information for the purposes of preparing the Explanatory Booklet and proposing and implementing the Scheme in accordance with the requirements of the Corporations Act;
- (v) as at the date the Explanatory Booklet is despatched to Golden Circle Shareholders, the Heinz Information, in the form and context in which that information appears in the version of the Explanatory Booklet registered by ASIC under section 412(6) of the Corporations Act will not be misleading or deceptive in any material respect (whether by omission or otherwise);
- (vi) it will, as a continuing obligation, provide to Golden Circle all such further or new information which may arise after the Explanatory Booklet has been despatched until the date of the Scheme Meeting which is necessary to ensure that the Heinz Information, in the form and context in which that information appears in the version of the Explanatory Booklet registered by ASIC under section 412(6) of the Corporations Act, is not misleading or deceptive in any material respect (whether by omission or otherwise);
- (vii) all factual information Heinz has provided to Golden Circle prior to this agreement is, to the best of its knowledge, accurate in all material respects and not misleading in any material respect;
- (viii) no Insolvency Event has occurred in relation to Heinz; and
- (ix) Heinz will have available to it on the Implementation Date sufficient cash amounts (whether from internal cash resources or external funding arrangements or a combination of both) to satisfy its obligation to pay the Scheme Consideration.

#### 9.2 Heinz's indemnity

Heinz agrees with Golden Circle (on Golden Circle's own behalf and separately as trustee or nominee for each of the other Golden Circle Indemnified Parties) to indemnify and keep indemnified the Golden Circle Indemnified Parties from and against all claims, actions, proceedings, liabilities, obligations, damages, loss, harm, charges, costs, expenses, duties and other outgoings of whatever nature and however arising which any of the Golden Circle Indemnified Parties may suffer or incur by reason of any breach of any of the representations and warranties in clause 9.1(b).

#### 9.3 Golden Circle representations

- (a) Golden Circle represents and warrants to Heinz (on its own behalf and separately as trustee for each of the other Heinz Indemnified Parties) each of the matters set out in clause 9.3(b) as at the date of this agreement and on each subsequent day until 8.00am on the Second Court Date (except that where any statement is expressed to be made only at a particular date it is given only at that date).
- (b) Golden Circle represents and warrants that:
  - (i) Golden Circle is a validly existing corporation registered under the laws of its place of incorporation;
  - (ii) the execution and delivery of this agreement by Golden Circle has been properly authorised by all necessary corporate action and Golden Circle has full corporate power and lawful authority to execute and deliver this agreement and to perform or cause to be performed its obligations under this agreement;

# Part C

## Section 3

### Implementation Agreement

- (iii) this agreement constitutes legal, valid and binding obligations on Golden Circle and this agreement does not result in a breach of or default under any agreement or deed or any writ, order or injunction, rule or regulation to which Golden Circle or any of its Subsidiaries is a party or to which they are bound;
- (iv) the Explanatory Booklet (excluding the Heinz Information) will be prepared in good faith and on the understanding that each of Heinz Indemnified Parties will rely on that information for the purposes of preparing the Heinz Information and implementing the Scheme;
- (v) as at the date the Explanatory Booklet is despatched to Golden Circle Shareholders the Explanatory Booklet (excluding the Heinz Information) will not be misleading or deceptive in any material respect (whether by omission or otherwise);
- (vi) all historical financial statements provided by Golden Circle to Heinz as part of the Due Diligence Materials have been prepared in compliance with all accounting standards and Australian legal requirements applicable to the Golden Circle Group;
- (vii) as at the respective dates of their preparation, all factual information Golden Circle has provided to Heinz prior to this agreement as part of the Due Diligence Material is, to the best of Golden Circle's knowledge, accurate in all material respects and not misleading in any material respect;
- (viii) Golden Circle is not in breach of its continuous disclosure obligations under the Listing Rules;
- (ix) Golden Circle's issued securities as of the date of this agreement are:
  - (A) 126,733,576 Shares;
  - (B) 4,900,000 Options as set out in Schedule 5,and, except for a maximum of 800,000 additional Options that Golden Circle has agreed to grant to its employees or as specified in this clause 9.3(b)(ix), neither it nor any of its Subsidiaries is under any obligation to issue any shares or securities convertible into shares to any person and no Option exists nor is Golden Circle or any of its Subsidiaries subject to any actual or contingent obligation to issue or convert securities;
- (x) no Insolvency Event has occurred in relation to any member of the Golden Circle Group;
- (xi) except for Security Interests granted in favour of GE and their Related Bodies Corporate and Security Interests arising in the usual and ordinary course of the Golden Circle Group's business, as at the date of this agreement, there is no Security Interest over all or any of its or its Subsidiaries present or future assets or revenues of its business or its Subsidiaries' businesses.



#### 9.4 Golden Circle's indemnity

Golden Circle agrees with Heinz (on Heinz's own behalf and separately as trustee for each of the other Heinz Indemnified Parties) to indemnify and keep indemnified Heinz Indemnified Parties from and against all claims, actions, proceedings, liabilities, obligations, damages, loss, harm, charges, costs, expenses, duties and other outgoings of whatever nature and however arising which any of Heinz Indemnified Parties may suffer or incur by reason of any breach of any of the representations and warranties in clause 9.3(b).

#### 9.5 Notifications

Each party will promptly advise the other in writing if it becomes aware of any fact, matter or circumstance which constitutes or may constitute a breach of any of the representations or warranties given by it under this clause 9.5.

#### 9.6 Survival of representations

Each representation and warranty in clauses 9.1 and 9.3:

- (a) is severable;
- (b) will survive the termination of this agreement; and
- (c) is given with the intent that liability thereunder will not be confined to breaches which are discovered prior to the date of termination of this agreement.

#### 9.7 Survival of indemnities

Each indemnity in this agreement (including those in clauses 9.2 and 9.4) will:

- (a) be severable;
- (b) be a continuing obligation;
- (c) constitute a separate and independent obligation of the party giving the indemnity from any other obligations of that party under this agreement; and
- (d) survive the termination of this agreement.

#### 9.8 Liability of directors and Representatives

- (a) Each party agrees that it will release its rights against, and will not make any claim against, any past or present director or Representative of the other party in relation to information provided to it or in relation to its entry into this agreement to the extent that the past or present director or Representative has acted in good faith.
- (b) Each party holds the releases in clause 9.8(a) in respect of its directors and Representatives as trustee for its directors and Representatives.

### 10. Confidentiality

#### 10.1 Golden Circle's obligations

Golden Circle acknowledges and agrees that:

- (a) it will use the Heinz Confidential Information exclusively for the purpose of preparing the Explanatory Booklet and for no other purpose (and, without limitation, will not make any use of the Heinz Confidential Information or any part of it to the competitive disadvantage of Heinz or any of its Related Bodies Corporate);
- (b) it will keep the Heinz Confidential Information in confidence and will not disclose the Heinz Confidential Information except:

- (i) to such Representatives of Golden Circle as require the Heinz Confidential Information for the purpose of preparing the Explanatory Booklet, but only if any such person owes a duty of confidentiality to Golden Circle and is aware of the obligations of Golden Circle under this clause 10.1;
  - (ii) subject to clause 11.3, as required by law; or
  - (iii) with the prior consent of Heinz;
- (c) it will immediately notify Heinz of any suspected or actual unauthorised use, copying or disclosure of the Heinz Confidential Information; and
- (d) it will, upon request by Heinz, return to Heinz all Heinz Confidential Information provided to Golden Circle and its Representatives, together with any notes, records or copies of the Heinz Confidential Information generated by any such person.

#### 10.2 Heinz's obligations

- (a) Heinz acknowledges and agrees that:
  - (i) it will not make any use of the Golden Circle Confidential Information or any part of it except in connection with the Scheme or any other transaction contemplated by this agreement and will not make any use of the Golden Circle Confidential Information or any part of it to the competitive disadvantage of Golden Circle or any of its Related Bodies Corporate or to the competitive advantage of the Heinz or any of its Related Bodies Corporate; and
  - (ii) it will keep the Golden Circle Confidential Information in confidence and otherwise comply with the obligations of confidentiality in the Confidentiality Deed.
- (b) For the purpose of clause 10.2(a), Heinz may disclose Golden Circle Confidential Information to such Representatives of Heinz as require the Golden Circle Confidential Information in connection with the Proposed Transaction or any other transaction contemplated by this agreement, but only if any such person owes a duty of confidentiality to Heinz and is aware of the obligations of Heinz under this clause 10.2.

## 11. Public announcements

### 11.1 Announcement of Proposed Transaction

Immediately after the execution of this agreement, the parties will issue a joint public announcement in the agreed form set out in Schedule 4 which will include a statement that each director of Golden Circle:

- (a) believes that the Scheme is in the best interests of Golden Circle Shareholders and recommends that Golden Circle Shareholders vote in favour of the Scheme (and any other resolutions necessary or expedient to give effect to the Proposed Transaction); and
- (b) will vote in favour of the Scheme (and any other resolutions necessary or expedient to give effect to the Proposed Transaction) in respect of all Shares held by him or in which he otherwise has a relevant interest,

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.

**11.2 Public announcements**

Subject to clause 11.3, no public announcement or disclosure of the Proposed Transaction or any other transaction the subject of this agreement or the Scheme may be made other than in a form approved by each party (acting reasonably), but each party must use all reasonable endeavours to provide such approval as soon as reasonably practicable.

**11.3 Required disclosure**

- (a) Subject to clause 11.4, where a party is required by law or the Listing Rules or where the Heinz's parent company (H.J. Heinz Company) is required by law or the rules of any stock exchange or financial market applicable to it to make any announcement or to make any disclosure of the Confidential Information of the other party or in connection with the Proposed Transaction or any other transaction the subject of this agreement or the Scheme, it may do so only after it has given at least one Business Day's notice, or such lesser period as may be required or permitted by the effect of a legal obligation, but in any event prior notice, to the other party and has used reasonable endeavours to consult with the other party and taken all reasonable steps to restrict that disclosure to the greatest extent possible. This clause 11.3(a) does not apply to announcements or disclosures relating to a Competing Proposal or a Superior Proposal.
- (b) Heinz must ensure that neither it nor any of Related Bodies Corporate, Representatives or associates take any action as a result of which it may be required to make a disclosure under clause 11.3(a).

**11.4 Statements on termination**

The parties must act in good faith and use all reasonable endeavours to issue an agreed statement or statements in respect of any termination of negotiations provided for in this agreement and will make no public statements or disclosure in respect of the termination of this agreement except in accordance with clauses 11.1 and this clause 11.4.

**12. Termination****12.1 Termination**

This Agreement may be terminated at any time prior to 8.00 am on the Second Court Date:

- (a) by Golden Circle giving written notice to Heinz, if Heinz is in material breach of its obligations under this agreement before the Second Court Date (including any material breach of a representation or warranty provided under this agreement), provided that Golden Circle has given a prior notice to Heinz setting out the relevant circumstances and stating an intention to terminate and the relevant circumstances have continued to exist five Business Days (or any shorter period ending at 5.00 pm on the day before the Second Court Date) from the time such earlier notice is received (with the time of receipt being determined in accordance with clause 15);
- (b) by Heinz giving written notice to Golden Circle, if Golden Circle is in material breach of its obligations under this agreement before the Second Court Date (including any material breach of a representation or warranty provided under this agreement), provided that Heinz has given a prior notice to Golden Circle setting out the relevant circumstances and stating an intention to terminate and the relevant circumstances have continued to exist five Business Days (or any shorter period ending at 5.00 pm on the day before the Second Court Date) from the time such earlier notice is received (with the time of receipt being determined in accordance with clause 15);

- (c) subject to clause 3.6, by a party giving the other party written notice if the resolution submitted to the Scheme Meeting in respect of the Scheme is not approved by the majorities required under section 411(4)(a)(ii) of the Corporations Act;
- (d) by Heinz giving Golden Circle written notice if, prior to the Second Court Date, any director of Golden Circle changes or withdraws his support or positive recommendation of the Proposed Transaction or makes a public statement indicating that he no longer supports the Proposed Transaction;
- (e) by a party giving the other party written notice, in circumstances where:
  - (i) a Competing Proposal is publicly announced after the date of this agreement;
  - (ii) the Competing Proposal is a Superior Proposal;
  - (iii) the Golden Circle Board publicly announces that the Superior Proposal is recommended by the Golden Circle Board; and
  - (iv) the Golden Circle Board believes, acting reasonably and in good faith, having first complied with its obligations under clause 14.4, that it would be likely to be in breach of the Golden Circle Board's fiduciary or statutory duties to continue to recommend the Scheme or any Heinz Counterproposal (as applicable);
- (f) by a party giving the other party written notice, if Heinz changes the structure of the Proposed Transaction from the Scheme to a takeover bid under Chapter 6 of the Corporations Act provided that the takeover bid is on terms at least as favourable as the Scheme;
- (g) by a party by giving the other party written notice if the Court refuses to make any order directing Golden Circle to convene the Scheme Meeting or refuses to make any order approving the Scheme, provided that both parties have met and consulted in good faith and agreed that they do not wish to proceed with the Scheme;
- (h) by a party in accordance with and pursuant to clause 3.7; or
- (i) by a party if the Effective Date for the Scheme has not occurred on or before the End Date.

#### 12.2 Effect of termination

If this agreement is terminated by either Golden Circle or Heinz pursuant to this clause 12 (including without limitation pursuant to clause 3.7), this agreement will become void and have no effect, other than:

- (a) the following clauses which shall survive termination: clause 10, clause 11.4, clause 13, clause 15 and clauses 16.3 to 16.18 inclusive; and
- (b) in respect of a breach of this agreement occurring prior to such termination.

### 13. Reimbursement of costs

#### 13.1 Background

- (a) Golden Circle acknowledges that if Heinz enters into this agreement and the Scheme is subsequently not implemented, Heinz will incur significant costs.
- (b) The Golden Circle Board believes that, in the circumstances referred to in clause 13.1(a), it is appropriate for Golden Circle to agree to the contingent payment referred to in clause 13.2 to secure Heinz's participation in the Proposed Transaction.



- (c) The parties acknowledge that Heinz has required the inclusion of clause 13.2, in the absence of which it would not have entered into this agreement and its proposal would not have been put to Golden Circle.

### 13.2 Payment by Golden Circle to Heinz

- (a) Golden Circle agrees to pay to Heinz \$2,100,000 (exclusive of GST) (**Break Fee**) if any of the following circumstances arise:
- (i) **(Material breach)** Golden Circle is in material breach of any of its obligations under this agreement or of a representation and warranty given by it under clause 9.3 of this agreement and Heinz validly terminates this agreement in accordance with clause 12.1(b) prior to the Second Court Date.
  - (ii) **(Change or withdrawal of recommendation)** At any time prior to the Second Court Date, any director of Golden Circle changes or withdraws his support or positive recommendation of the Proposed Transaction or makes a public statement indicating that he no longer supports the Proposed Transaction (**Change of Recommendation**) and Heinz validly terminates this agreement in accordance with clause 12.1(d), other than where the Change of Recommendation is because:
    - (A) the Condition in clause 3.1(a), 3.1(d) or 3.1(g) is not satisfied, except in the case of clause 3.1(a) where Golden Circle has publicly recommended a Superior Proposal;
    - (B) the Independent Expert opines that the Scheme is not in the best interests of Golden Circle Shareholders; or
    - (C) Golden Circle is entitled to terminate this agreement under clauses 12.1(a), (f), (g), (h) or (i).
  - (iii) **(Superior Proposal recommended)** 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 this agreement under clause 12.1(e).
  - (iv) **(Anchorage votes against Scheme)** Anchorage Golden Circle Pty Ltd (or any Related Body Corporate or associate that becomes registered as the holder of all or any of the Shares registered in the name of Anchorage Golden Circle Pty Ltd as at the date of this agreement) does not vote in favour of the Scheme in circumstances where:
    - (A) Golden Circle has not publicly recommended a Superior Proposal;
    - (B) the Independent Expert has opined that the Scheme is in the best interests of Golden Circle Shareholders; and
    - (C) Golden Circle is not entitled to terminate this agreement under clauses 12.1(a), (f), (g), (h) or (i).
  - (v) **(Third party acquires control or ownership)** During the period commencing on the date of this agreement and ending on the date that is six months after the earlier of the End Date and the date of termination of this agreement, a Competing Proposal is publicly announced, the Competing Proposal is a Superior Proposal and the proponent of that Competing Proposal:
    - (A) 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



- (B) acquires the whole or a substantial part of the Golden Circle Group's assets, business or property.
- (b) Golden Circle must pay Heinz the Break Fee within five Business Days of receipt by Golden Circle of a demand for payment from Heinz made after the occurrence of an event referred to in clause 13.2.
- (c) Each party acknowledges and agrees that the Break Fee represents a reasonable pre-estimate of the:
  - (i) external advisory costs incurred by Heinz (including costs of advisers other than success fees);
  - (ii) costs of Heinz's management and directors' time;
  - (iii) Heinz's out-of-pocket expenses;
  - (iv) all commitment fees and other financing costs incurred by Heinz; and
  - (v) reasonable opportunity costs incurred by Heinz in pursuing the Proposed Transaction or in not pursuing other alternative acquisitions or strategic initiatives which Heinz could have developed to further its business and objectives.
- (d) Each party acknowledges that prior to the date of this agreement, it has received legal advice on the size and terms of the Break Fee payable under this clause 13.2.
- (e) No amount is payable by Golden Circle to Heinz under clause 13.2 if the Scheme becomes Effective on or before the End Date despite the occurrence of any event under clause 13.2.
- (f) For the avoidance of doubt, 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 majorities required under section 411(4)(a)(ii) of the Corporations Act, provided Anchorage Golden Circle Pty Ltd votes in favour of the Scheme. However, the Break Fee will be payable if any of the events in clause 13.2(a) occur.

#### 13.3 Compliance with law

- (a) If it is finally determined following the exhaustion of all reasonable avenues of appeal to the Takeovers Panel or a Court that all or any part of the Break Fee (**Impugned Amount**):
  - (i) is unlawful;
  - (ii) involves a breach of directors' duties; or
  - (iii) constitutes unacceptable circumstances or breaches an order of the Takeovers Panel,then:
  - (iv) the requirement to pay the Break Fee does not apply to the extent of the Impugned Amount; and
  - (v) if Heinz has received the Impugned Amount, it must refund it within 10 Business Days of the final determination being made.

#### 13.4 Regulatory Intervention

- (a) If any regulatory body (including ASIC or the Takeovers Panel) or a Court requires any modification (including requiring such a modification as a condition of consenting to or approving the Scheme or as a condition of not opposing the Scheme) to the Break Fee including as to the amount or circumstances in which it is to be paid, then:

- (i) the parties will accept this determination and amend this agreement to that extent, and
  - (ii) it will not result in a breach of this agreement or termination of the transactions contemplated by it.
- (b) Subject to clause 13.4(c), if the Takeovers Panel indicates to Golden Circle or Heinz or either of them that in the absence of a written undertaking pursuant to section 201A of the *Australian Securities and Investments Commission Act 2001* it will make a declaration of unacceptable circumstances, each of Golden Circle and Heinz (as the case may be) may give that undertaking on their own behalf and must give reasonable consideration to giving that undertaking if requested by the other party. Where such undertakings are given, this clause 13 will operate in a manner consistent with the terms of such undertakings.
- (c) Nothing in this clause 13.4 precludes either party from bringing or requires either party (where entitled to do so) to bring appeal or review proceedings in relation to any determination referred to in clause 13.4(a). If either party brings such proceedings:
  - (i) the other must make submissions in the course of those proceedings supporting to the fullest extent reasonably practicable the review application made by the first party; and
  - (ii) for the purposes of this clause 13.4, the determination subject of the appeal or review proceeding shall be deemed not to have been made and clauses 13.4(a) and 13.4(b) shall have effect only in relation to any determination made in the appeal or review proceedings.

#### 13.5 Survival

Any accrued obligations under this clause survive termination of this agreement.

#### 13.6 Other claims

This clause 13 does not limit the rights of Heinz in respect of any other claims that may arise under this agreement.

### 14. Exclusivity

#### 14.1 No current discussions

Golden Circle represents and warrants to Heinz that, as at the date of this agreement, neither it nor any of its Representatives:

- (a) has received any offer, proposal or expression of interest from any person or otherwise is participating, directly or indirectly, in any discussions or negotiations with any persons that concern, or could reasonably be expected to lead to, a Competing Proposal; or
- (b) is a party to any agreement, arrangement or understanding with any person in relation to a Competing Proposal or a possible Competing Proposal that would prevent it entering into this agreement or complying with its obligations under this agreement.

#### 14.2 No-shop restriction

During the Exclusivity Period, Golden Circle must not, and must ensure that its Representatives 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.

#### 14.3 No-talk restriction

Subject to clause 14.5, during the Exclusivity Period, Golden Circle must ensure that neither it nor any of its Representatives, 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, including allowing or facilitating access to non-public information of the Golden Circle Group or other due diligence investigations which might lead to a Competing Proposal, even if:

- (a) the Competing Proposal was not directly or indirectly solicited, invited or initiated; or
- (b) the other person has publicly announced the Competing Proposal.

#### 14.4 Notification

- (a) Subject to clause 14.5, during the Exclusivity Period, Golden Circle must promptly notify Heinz in writing:
  - (i) of any approach or attempt to initiate, resume or continue discussions or negotiations with Golden Circle or any of its Representatives with respect to, or that could reasonably be expected to lead to, a Competing Proposal;
  - (ii) of any request for information relating to Golden Circle or any of its Subsidiaries or any of their businesses or operations or any request for access to the books or records of Golden Circle or any of its Subsidiaries; and
  - (iii) if any third party commences, resumes or continues a due diligence investigation in relation to Golden Circle or any of its Subsidiaries or of any provision of any information by Golden Circle or any Subsidiary relating to Golden Circle or any of its Subsidiaries or any of their businesses or operations to any person.
- (b) A notification given under clause 14.4(a) must be accompanied by all relevant details of the relevant event, including details of the potential bidder or acquirer.
- (c) If, at any time during the Exclusivity Period, Golden Circle receives a proposal in relation to a bona fide Competing Proposal that the Golden Circle Board considers to be a Superior Proposal and as a result proposes to publicly change or withdraw its recommendation in favour of the Proposed Transaction, Golden Circle must give Heinz notice in writing of that fact, which notice must provide all material details of the Competing Proposal, including details of the proposed price (including details of the consideration if not simply cash), conditions, timing and break fee, if any (**Superior Proposal Notice**). Golden Circle will use its reasonable endeavours to ask the person who has made the Competing Proposal for their consent to their name being provided on a confidential basis to Heinz as part of the Superior Proposal Notice.
- (d) If Golden Circle gives Heinz a Superior Proposal Notice, Golden Circle agrees that it will not, until the expiration of two Business Days following the receipt of the Superior Proposal Notice by Heinz (with the time of receipt being determined in accordance with clause 15):
  - (i) enter into any legally binding agreement with respect to the Competing Proposal;
  - (ii) announce or publicly recommend the Competing Proposal; or
  - (iii) otherwise progress or facilitate the Competing Proposal, including without limitation providing the proponent of the Competing Proposal with access to any Confidential Information of Golden Circle or its Subsidiaries.

- (e) If Golden Circle gives Heinz a Superior Proposal Notice, Heinz agrees that the notice will be Confidential Information of Golden Circle (as defined in the Confidentiality Deed), subject to the Confidentiality Deed.
- (f) If Golden Circle gives a Superior Proposal Notice, Heinz will have the right, but not the obligation, at any time until the expiration of two Business Days following receipt of the notice to:
  - (i) offer to amend the terms of the Scheme; or
  - (ii) to propose any other transaction,
 (each, a **Heinz Counterproposal**), and if Heinz does so, the Golden Circle Board must review the Heinz Counterproposal in good faith and in what the Golden Circle Board considers is required to comply with its fiduciary and statutory duties, to determine whether the Heinz Counterproposal is more favourable to Golden Circle Shareholders than the Competing Proposal.
- (g) If the Golden Circle Board determines, in good faith and in order to satisfy what the Golden Circle Board considers to be its fiduciary and statutory duties, that the Heinz Counterproposal is more favourable to Golden Circle Shareholders than the Competing Proposal, then:
  - (i) if the Heinz Counterproposal contemplates an amendment to the Scheme, the parties must enter into a deed amending this agreement in relation to the Scheme and reflecting the Heinz Counterproposal;
  - (ii) if the Heinz Counterproposal contemplates any other transaction, Golden Circle must make an announcement as soon as reasonably practicable recommending the Heinz Counterproposal, in the absence of a more favourable proposal, and the parties must pursue implementation of the Heinz Counterproposal in good faith; and
  - (iii) Golden Circle must not take any of the steps referred to in clause 14.4(d).
- (h) For the purposes of this clause 14.4, each material successive modification of any third party proposal in relation to a Competing Proposal will be deemed to constitute a new proposal and the provisions of this clause 14.4 will apply to each such new proposal.

#### 14.5 Exceptions

Golden Circle may undertake any action that would otherwise be prohibited by clause 14.3, clause 14.4(a) or clause 14.4(b) (**Relevant Action**) where:

- (a) the Relevant Action is in response to a bona fide Competing Proposal which was not solicited, invited, facilitated, encouraged or initiated in contravention of clause 14.2;
- (b) the Golden Circle Board has determined in good faith and acting reasonably that the Competing Proposal:
  - (i) is proposed in writing by or on behalf of a person who is of reputable commercial standing; and
  - (ii) could reasonably be considered to be a Superior Proposal; and
- (c) the Golden Circle Board has determined in good faith, after receiving written legal advice from its external legal advisers, that not taking the Relevant Action would be reasonably likely to constitute a breach of Golden Circle directors' fiduciary or statutory duties.



## 15. Notices

Any communication under or in connection with this agreement:

- (a) must be in writing;
- (b) must be addressed as shown below:

### **Golden Circle Limited**

Address: 260 Earnshaw Road, Northgate, Queensland 4013  
Fax no: +61 7 3266 0709  
For the attention of: Darryn Hammond

### **H.J. Heinz Company Australia Limited**

Address: Freshwater Place, 2 Southbank Boulevard, Southbank, Victoria, 3006  
Fax no: +61 3 9861 5634  
For the attention of: Carolyn Fox, General Counsel, Heinz Asia Pacific

(or as otherwise notified by that party to the other party from time to time);

- (c) must be signed by the party making the communication or by a person duly authorised by that party;
- (d) must be delivered or posted by prepaid post to the address, or sent by fax to the number, of the addressee, in accordance with clause 15(b); and
- (e) will be deemed to be received by the addressee:
  - (i) **(in the case of prepaid post)** on the third Business Day after the date of posting to an address within Australia, and on the fifth Business Day after the date of posting to an address outside Australia;
  - (ii) **(in the case of fax)** at the local time (in the place of receipt of that fax) which then equates to the time at which that fax is sent as shown on the transmission report which is produced by the machine from which that fax is sent and which confirms transmission of that fax in its entirety, unless that local time is not a Business Day, or is after 5.00 pm on a Business Day, when that communication will be deemed to be received at 9.00 am on the next Business Day; and
  - (iii) **(in the case of delivery by hand)** on delivery at the address of the addressee as provided in clause 15(b), unless that delivery is not made on a Business Day, or after 5.00 pm on a Business Day, when that communication will be deemed to be received at 9.00 am on the next Business Day.

## 16. General

### 16.1 Further acts

Each party will promptly do and perform all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by any other party to give effect to this agreement.

### 16.2 Timetable

The parties agree that the Timetable is indicative only and is not binding on the parties.



**16.3 Payments**

Unless otherwise expressly provided in this agreement, where an amount is required to be paid to a party (the **Receiving Party**) by another party under this agreement, that amount shall be paid:

- (a) in immediately available and irrevocable funds by electronic transfer to a bank account or accounts notified by the Receiving Party in writing on or before the due date for payment, or in other such immediately payable funds as the parties may agree; and
- (b) without deduction, withholding or set-off.

**16.4 Consents or approvals**

A party may:

- (a) give conditionally or unconditionally; or
- (b) withhold,

its approval or consent in its absolute discretion unless this agreement expressly provides otherwise.

**16.5 GST**

- (a) Any reference in this clause 16.5 to a term defined or used in the *A New Tax System (Goods and Services Tax) Act 1999* is, unless the context indicates otherwise, a reference to that term as defined or used in that Act.
- (b) Unless expressly included, the consideration for any supply under or in connection with this agreement does not include GST.
- (c) To the extent that any supply made by a party (**Supplier**) to another party (**Recipient**) under or in connection with this agreement is a taxable supply, the Recipient must pay to the Supplier, in addition to the consideration to be provided under this agreement but for the application of this clause 16.5(c) for that supply (**GST Exclusive Consideration**), an amount equal to the amount of the GST Exclusive Consideration (or its GST exclusive market value) multiplied by the rate at which GST is imposed in respect of the supply. This clause 16.5(c) does not apply to any taxable supply under or in connection with this agreement that is expressly stated to include GST.
- (d) The amount on account of GST payable in accordance with this clause 16.5 will be paid at the same time and in the same manner as the consideration otherwise payable for the supply is provided.
- (e) Any reference in the calculation of any consideration or of any indemnity, reimbursement or similar amount to a cost, expense or liability incurred by a person (**Relevant Expense**) is a reference to the relevant expense reduced by an amount equal to any input tax credit entitlement of that person (or of the representative member of any GST group to which the person belongs) in relation to the Relevant Expense. A party will be assumed to have an entitlement to a full input tax credit unless it demonstrates otherwise prior to the date on which the relevant payment or consideration must be provided.

**16.6 Stamp duty**

Heinz must pay all stamp duties (if any) and any fines and penalties with respect to stamp duty in respect of this agreement or the Scheme or the steps to be taken under this agreement or the Scheme (including without limitation the acquisition or transfer of Scheme Shares pursuant to the Scheme) and indemnify Golden Circle (on Golden Circle's own behalf and separately as trustee or nominee for the other Golden Circle Indemnified Parties and Golden Circle Shareholders) against any liability arising from failure to comply with this clause 16.6.

#### 16.7 Expenses

Except as otherwise provided in this agreement (including in clause 13), each party will pay its own costs and expenses in connection with the negotiation, preparation, execution, and performance of this agreement and the Explanatory Booklet and the proposed, attempted or actual implementation of this agreement and the Scheme.

#### 16.8 Amendments

This agreement may only be varied by a document signed by or on behalf of each of the parties.

#### 16.9 Assignment

A party cannot assign, novate or otherwise transfer any of its rights or obligations under this agreement without the prior written consent of the other party, which consent that other party may give or withhold in its absolute discretion.

#### 16.10 Business Day

Except where otherwise expressly provided, where under this agreement the day on which any act, matter or thing is to be done is a day other than a Business Day, such act, matter or thing will be done on the next Business Day.

#### 16.11 Waiver

- (a) Failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this agreement by any party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other right, power or remedy provided by law or under this agreement.
- (b) Any waiver or consent given by any party under this agreement will only be effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of any term of this agreement will operate as a waiver of another breach of that term or of a breach of any other term of this agreement.
- (d) Nothing in this agreement obliges a party to exercise a right to waive any conditional term of this agreement that may be in its power.

#### 16.12 Release of officers and directors

- (a) Subject to the Corporations Act, none of the officers and directors of Golden Circle will be liable for anything done or purported to be done in connection with the Scheme or any transaction contemplated by this agreement in good faith, but nothing in this clause excludes any liability that may arise from wilful misconduct or bad faith on the part of such a person. Golden Circle receives and holds the benefit of this release, as agent for its directors and officers.
- (b) Subject to the Corporations Act, none of the officers and directors of Heinz will be liable for anything done or purported to be done in connection with the Scheme or any transaction contemplated by this agreement in good faith, but nothing in this clause excludes any liability that may arise from wilful misconduct or bad faith on the part of such a person. Heinz receives and holds the benefit of this release, as agent for its directors and officers.

#### 16.13 Consents

Any consent referred to in, or required under, this agreement from any party may not be unreasonably delayed or withheld, unless this agreement expressly provides for that consent to be given in that party's absolute discretion.

#### 16.14 Counterparts

- (a) This agreement may be executed in any number of counterparts and by the parties on separate counterparts. Each counterpart constitutes the agreement of each party who has executed and delivered that counterpart. Each counterpart is an original but the counterparts together are one and the same agreement.
- (b) This agreement is binding on the parties on the exchange of duly executed counterparts.
- (c) The parties agree that a copy of an original executed counterpart sent by facsimile machine to the facsimile number of the other party specified in clause 15, instead of the original, is sufficient evidence of the execution of the original and may be produced in evidence for all purposes in place of the original.

#### 16.15 Entire agreement

- (a) This agreement:
  - (i) embodies the entire understanding of the parties and constitutes the entire terms agreed on between the parties; and
  - (ii) supersedes any prior agreement (whether or not in writing) between the parties.
- (b) Despite clause 16.15(a), the Confidentiality Deed continues to apply to the parties in accordance with its terms, except to the extent of any express inconsistency, in which case this agreement prevails.

#### 16.16 No representation or reliance

- (a) Each party acknowledges that no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this agreement, except for representations or inducements expressly set out in this agreement.
- (b) Each party acknowledges and confirms that it does not enter into this agreement in reliance on any representation or other inducement by or on behalf of any other party, except for any representation or inducement expressly set out in this agreement.

#### 16.17 No merger

The rights and obligations of the parties will not merge on completion of any transaction under this agreement. They will survive the execution and delivery of any assignment or other document entered into for the purpose of implementing any transaction.

#### 16.18 Governing law

- (a) This agreement is governed by and will be construed according to the laws of Queensland.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Queensland and of the courts competent to determine appeals from those courts.

## Schedule 1 – Indicative Timetable

| Event   | Date                             |
|---|----------------------------------|
| Enter into Implementation Agreement   | On or before Mon, 6 October 2008 |
| Lodge Explanatory Booklet with ASIC for review and comment  | Fri, 10 October 2008             |
| First Court Date  | Fri, 24 October 2008             |
| Explanatory Booklet registered with ASIC  | Fri, 24 October 2008             |
| Despatch Explanatory Booklet to Golden Circle Shareholders  | Fri, 31 October 2008             |
| Scheme Meeting  | Mon, 1 December 2008             |
| Second Court Date   | Mon, 8 December 2008             |
| Effective Date – lodge office copy of Court order approving the Scheme with ASIC  | Tues, 9 December 2008            |
| Record Date   | Tues, 16 December 2008           |
| Implementation Date: Despatch cheques or electronically transfer funds to participants in the Scheme. Reconstitute boards of each Golden Circle Group company | From Fri, 19 December 2008       |

## Schedule 2 –Deed Poll

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Reproduced in Part C, Section 5 of this Explanatory Booklet



## Schedule 3 - Scheme

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Reproduced in Part C, Section 4 of this Explanatory Booklet

## Schedule 4 – Form of Joint Announcement

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*Not reproduced here. Please see Golden Circle NSX market announcement dated 6 October 2008 for a copy of this announcement which can be found at the web site [www.nsx.com.au](http://www.nsx.com.au). A copy can also be requested from the Golden Circle Share Registry by contacting 1300 737 760.*

## Schedule 5 – Options


| No. held   | Date of entry of holder's name to the register | Date of grant     | Period during / time at which options may be exercised   | Consideration paid for grant (\$) | Consideration / method for determining consideration for exercise of options |
|------------|--|-------------------|--|-----------------------------------|--|
| 1,600,000* | 31 July 2008                                   | 31 July 2008      | Earliest vesting is 30 June 2010, subject to performance conditions as set out in offer letter dated 15 July, 2008. Exercise period is as per Long Term Incentive Plan Rules.      | Nil                               | \$0.80   |
| 1,450,000* | 31 July 2008                                   | 31 July 2008      | Earliest vesting is 30 June 2011, subject to performance conditions as set out in offer letter dated 15 July, 2008. Exercise period is as per Long Term Incentive Plan Rules.      | Nil                               | \$0.80   |
| 1,450,000* | 31 July 2008                                   | 31 July 2008      | Earliest vesting is 30 June 2012, subject to performance conditions as set out in offer letter dated 15 July, 2008. Exercise period is as per Long Term Incentive Plan Rules.      | Nil                               | \$0.80   |
| 400,000*   | 25 September 2008                              | 25 September 2008 | Earliest vesting is 30 June 2010, subject to performance conditions as set out in offer letter dated 19 September, 2008. Exercise period is as per Long Term Incentive Plan Rules. | Nil                               | \$0.80   |
| 400,000*   | -  | -                 | Earliest vesting is 30 June 2011, subject to performance conditions as set out in offer letter dated 19 September, 2008. Exercise period is as per Long Term Incentive Plan Rules. | Nil                               | To be determined by the Plan Committee                                       |
| 400,000*   | -  | -                 | Earliest vesting is 30 June 2012, subject to performance conditions as set out in offer letter dated 19 September, 2008. Exercise period is as per Long Term Incentive Plan Rules. | Nil                               | To be determined by the Plan Committee                                       |
| 5,700,000* |  |                   |  |                                   |  |


\*Options issued (or to be issued) as part of Executive Long Term Incentive Plan. Issued and governed by Plan Rules adopted on 22 May, 2008.

## Signing page

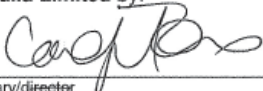
EXECUTED as an agreement.


Executed by Golden Circle Limited by:

  
 Secretary/director  
 DARRYN HAMMOND  
 Name (print)

←   
 Director  
 PETER VOIGHT  
 Name (print) ←

Executed by H.J. Heinz Company  
 Australia Limited by:

  
 Secretary/director  
 CAROLYN FOX  
 Name (print)

←   
 Director  
 PETER WIDDOWS  
 Name (print) ←

# Scheme of Arrangement

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Golden Circle Limited (**Golden Circle**)

The Scheme Shareholders

MinterEllison

L A W Y E E R S

RIALTO TOWERS, 525 COLLINS STREET, MELBOURNE VIC 3000, DX 204 MELBOURNE  
TEL: +61 3 8608 2000 FAX: +61 3 8608 1000  
[www.minterellison.com](http://www.minterellison.com)



## Scheme of Arrangement

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## Scheme of Arrangement

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### Pursuant to section 411 of the Corporations Act Between

Name Golden Circle Limited ACN 054 355 618 of 260 Earnshaw Road, Northgate,  
Queensland 4013 (**Golden Circle**)

Name The Scheme Shareholders

#### 1. Definitions and interpretation

##### 1.1 Defined terms

The following definitions apply unless the context requires otherwise.

**ASIC** means the Australian Securities and Investments Commission.

**Business Day** means a day that is not a Saturday, Sunday or public holiday or bank holiday in Brisbane, Australia.

**CHESS** means the Clearing House Electronic Subregister System for the electronic transfer of securities operated by ASX Settlement and Transfer Corporation Pty Ltd ACN 008 504 532.

**Conditions** means the conditions in clause 3.1 of the Implementation Agreement, with the exception of the condition in clause 3.1(i) of the Implementation Agreement.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Court** means the Supreme Court of Queensland or any other court of competent jurisdiction under the Corporations Act determined by Golden Circle in consultation with Heinz.

**Court Order** means the order of the Court approving this Scheme made under section 411(4)(b) of the Corporations Act.

**Court Order Time** means 8:00am on the first day on which the Court hears the application for the Court Order or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned or appealed application is heard.

**Deed Poll** means the deed poll executed by Heinz on 22 October 2008 under which Heinz covenants in favour of Scheme Shareholders to perform Heinz's obligations under this Scheme.

**Effective** means, when used in relation to this Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the Court Order.

**Effective Date** means the date on which this Scheme becomes Effective.

**End Date** means 11.59pm on 31 January 2009 or such other date and time agreed in writing between Heinz and Golden Circle.

**Excluded Share** means any Golden Circle Share held by or on behalf of:

- (a) Heinz; or

(b) any of Heinz's Related Bodies Corporate.

**Explanatory Booklet** means the document despatched to Golden Circle Shareholders comprising:

- (a) the terms of this Scheme;
- (b) a notice convening the Scheme Meeting (together with proxy forms for that meeting);
- (c) an explanatory statement in relation to this Scheme issued by Golden Circle under section 412 of the Corporations Act;
- (d) an independent expert's report in relation to this Scheme; and
- (e) a copy or extract of the Implementation Agreement and a copy of the Deed Poll.

**Golden Circle Share Registry** means Registries Limited ACN 003 209 836 as registrar of the Register.

**Golden Circle Shareholder** means a person who is registered in the Register as a holder of one or more Shares.

**Heinz** means H.J. Heinz Company Australia Limited ACN 004 200 319 of Freshwater Place, 2 Southbank Boulevard, Southbank, Victoria, 3066.

**Implementation Agreement** means the agreement of that name between Golden Circle and Heinz dated 6 October 2008.

**Implementation Date** means the third Business Day following the Record Date or such other date following the Record Date and earlier than the End Date as Golden Circle and Heinz agree in writing.

**NSX** means National Exchange of Australia Limited ACN 000 902 063 or, as the context requires, the financial market conducted by it.

**Record Date** means 5.00pm on the fifth Business Day (or such other Business Day as the parties agree) following the date on which the Scheme becomes Effective.

**Register** means Golden Circle's register of members maintained under and in accordance with section 169 of the Corporations Act.

**Registered Address** in relation to a Golden Circle Shareholder means the address of the Golden Circle Shareholder as recorded in the Register.

**Scheme** means this members' scheme of arrangement under Part 5.1 of the Corporations Act between Golden Circle and Scheme Shareholders, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by Golden Circle and Heinz.

**Scheme Consideration** means, in respect of each Scheme Share held by a Scheme Shareholder, \$1.65 cash.

**Scheme Meeting** means the meeting of Golden Circle Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on the Scheme and includes any meeting convened following any adjournment or postponement of that meeting.

**Scheme Shareholder** means a person who holds one or more Scheme Shares.

**Scheme Share** means a Share on issue as at the Record Date for the Scheme, other than an Excluded Share.

**Scheme Share Transfer** means, for each Scheme Shareholder, a proper instrument of transfer of their Scheme Shares for the purpose of section 1071B of the Corporations Act, which may be a master transfer of all Scheme Shares.

**Second Court Date** means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned for any reason, means the date on which the adjourned application is heard.

**Share** means an issued fully paid ordinary share in the capital of Golden Circle.

#### 1.2 Interpretation

Headings are for convenience only and do not affect interpretation. The following rules apply unless the context requires otherwise:

- (a) the singular includes the plural and conversely;
- (b) a gender includes all genders;
- (c) a reference to a clause is a reference to a clause of this Scheme, unless otherwise stated;
- (d) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (e) a reference to a person, corporation, trust, partnership, unincorporated body, government agency or other entity includes any of them;
- (f) a reference to a person includes a reference to the person's executors, administrators, successors and permitted substitutes;
- (g) a reference to an agreement or document (including, without limitation, a reference to this document) is to the agreement or document as amended, varied, supplemented, novated or replaced, except to the extent prohibited by this document or that other agreement or document;
- (h) a reference to any legislation or to a provision of any legislation includes a modification or re-enactment of it, any legislative provision substituted for it and all regulations and statutory instruments issued under it;
- (i) words and phrases not specifically defined in this document have the same meanings (if any) given to them in the Corporations Act;
- (j) a reference to time is to Brisbane, Queensland time; and
- (k) a reference to \$ is to the lawful currency of Australia.

## 2. Preliminary

### 2.1 Golden Circle

- (a) Golden Circle is a public company limited by shares, incorporated in Australia and registered in Queensland. Its registered office is at 260 Earnshaw Road, Northgate, Queensland 4013.
- (b) Golden Circle is included in the official list of NSX and Golden Circle Shares are officially quoted on NSX.
- (c) As at the date of the Explanatory Booklet, 126,733,576 Golden Circle Shares were on issue.

## 2.2 Heinz

Heinz is a company limited by shares, incorporated in Australia and registered in Victoria. Its registered office is at Freshwater Place, 2 Southbank Boulevard, Southbank, Victoria, 3066.

## 2.3 Supporting documents

- (a) Golden Circle and Heinz have agreed, by executing the Implementation Agreement, to implement the terms of and to perform their respective obligations under this Scheme.
- (b) Heinz has executed the Deed Poll in favour of Scheme Shareholders pursuant to which Heinz has covenanted to carry out the obligations to be performed by it under this Scheme.
- (c) If this Scheme becomes Effective, Golden Circle undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against Heinz on behalf of and as agent and attorney for the Scheme Shareholders.

## 3. Conditions precedent

- (a) This Scheme is conditional on:
  - (i) all of the Conditions having been satisfied or waived in accordance with the terms of the Implementation Agreement;
  - (ii) the Implementation Agreement having not been terminated as at the Court Order Time;
  - (iii) the Court making an order under section 411(4)(b) of the Corporations Act approving this Scheme; and
  - (iv) such other conditions imposed by the Court under section 411(6) of the Corporations Act as are acceptable to Heinz and Golden Circle.
- (b) The fulfilment of each condition in clause 3(a) is a condition precedent to the binding effect of this Scheme.
- (c) On the Second Court Date, Golden Circle and Heinz must provide to the Court certificates confirming whether or not all the conditions precedent to this Scheme (other than the condition in clause 3(a)(iii) of this Scheme) have been satisfied or waived.
- (d) This Scheme will lapse and be of no further force or effect if the Effective Date has not occurred on or before the End Date or such later date as the Court, with the consent of Golden Circle and Heinz, may order.
- (e) If the Implementation Agreement is terminated in accordance with its terms before this Scheme becomes Effective, each of Heinz and Golden Circle are released from:
  - (i) any further obligation to take steps to implement this Scheme; and
  - (ii) any liability with respect to this Scheme.

## 4. The Scheme

### 4.1 Effect of Scheme

- (a) If this Scheme becomes Effective then:
  - (i) the Scheme Shares (together with all rights and entitlements attaching to the Scheme Shares) will be transferred to Heinz;



- (ii) Golden Circle will enter the name of Heinz in the Register in respect of the Scheme Shares; and
- (iii) Heinz will provide the Scheme Consideration to Scheme Shareholders, in accordance with the provisions of this Scheme.
- (b) If this Scheme becomes Effective, it will:
  - (i) bind Golden Circle and all Scheme Shareholders, including those who do not attend the Scheme Meeting, those who do not vote at that meeting and those who vote against this Scheme at that meeting; and
  - (ii) override the constitution of Golden Circle, to the extent of any inconsistency.

#### 4.2 Procedural matters

- (a) If the Court makes the Court Order, Golden Circle will lodge with ASIC office copies of that order as soon as practicable and by no later than 5.00pm on the first Business Day after the date on which that order is made.
- (b) This Scheme will come into effect on the Effective Date.
- (c) In consideration of the transfer of the Scheme Shares to Heinz, Heinz will pay to each Scheme Shareholder the Scheme Consideration in respect of each Scheme Share registered in the name of that Scheme Shareholder in accordance with clause 4.3.
- (d) On or before 3.00pm on the Implementation Date, subject to the Heinz complying with its obligations under clause 4.3(a)(i):
  - (i) all of the Scheme Shares will be transferred to Heinz without the need for any further act by any Scheme Shareholder (other than acts performed by Golden Circle or its directors or officers as attorney and agent of the Scheme Shareholders under clause 7.2);
  - (ii) Golden Circle will deliver to Heinz duly completed and executed Scheme Share Transfers to transfer the Scheme Shares to Heinz; and
  - (iii) the Scheme Shares together with all rights and entitlements attaching to the Scheme Shares as at that time will be transferred to Heinz.
- (e) Heinz will immediately execute the Scheme Share Transfers referred to in clause 4.2(d)(ii) as transferee and deliver the Scheme Share Transfers to Golden Circle for registration.
- (f) Subject to Heinz paying any applicable stamp duty, Golden Circle will, immediately following receipt of the Scheme Share Transfers in respect of the Scheme Shares, enter the name and address of Heinz in the Register in respect of the Scheme Shares.
- (g) With effect from the time immediately after payment of the Scheme Consideration to Scheme Shareholders, the Golden Circle Board will be reconstituted by:
  - (i) the appointment of the Heinz nominees to the Golden Circle Board; and
  - (ii) the resignation from the Golden Circle Board of all persons identified by Heinz for resignation.

#### 4.3 Scheme Consideration

- (a) The obligations of Heinz to pay or procure the payment of the Scheme Consideration will be satisfied by:

- (i) Heinz on or before 2.00pm on the Implementation Date, depositing an amount equal to the aggregate Scheme Consideration payable to all Scheme Shareholders in cleared funds in a trust account established in the name of Golden Circle and operated by an Australian bank (**Trust Account**), such amount to be held on trust by Golden Circle for the sole purpose of paying the Scheme Consideration to those Scheme Shareholders, except that any interest on the amount deposited in the Trust Account will be for the account of Heinz; and
- (ii) Golden Circle:
  - (A) dispatching or procuring the dispatch from the Trust Account within five Business Days of the Implementation Date to each Scheme Shareholder (other than a Scheme Shareholder who has notified an account with an Australian bank as provided by sub-paragraph (B)) by pre-paid post to their Registered Address a cheque in Australian currency in the name of that Scheme Shareholder; or
  - (B) if a Scheme Shareholder has notified to Golden Circle an account with an Australian bank which has been recorded in or for the purpose of the Register as at the Record Date, making a deposit to that account,
 

for the amount equal to the number of Scheme Shares held by that Scheme Shareholder at the Record Date multiplied by the Scheme Consideration.
- (b) In the case of joint holders of Scheme Shares, a cheque shall be payable and forwarded to or a deposit made in the name of the holder whose name appears first in the Register at the Record Date.
- (c) To the extent that a cheque properly dispatched by or on behalf of Golden Circle pursuant to this clause 4.3 is returned to Golden Circle as undelivered or the cheque is not presented by a Scheme Shareholder earlier than six months after the Implementation Date (**Unclaimed Consideration**):
  - (i) Golden Circle must deal with the Unclaimed Consideration in accordance with any applicable unclaimed moneys legislation; and
  - (ii) subject to Golden Circle complying with its obligations under clause 4.3(c)(i), Golden Circle is discharged from liability to any Scheme Shareholder in respect of the Unclaimed Consideration.

## 5. Dealings in Golden Circle Shares

- (a) For the purpose of establishing the persons who are Scheme Shareholders, dealings in Golden Circle Shares will only be recognised if:
  - (i) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Register as the holder of the relevant Golden Circle Shares by the Record Date; and
  - (ii) in all other cases, registrable transfers or transmission applications in respect of those dealings are received at the Golden Circle Share Registry by the Record Date.
- (b) Golden Circle will register registrable transfers or transmission applications of the kind referred to in clause 5(a)(ii) by, or as soon as practicable after, the Record Date.

- (c) Golden Circle will not accept for registration, nor recognise for any purpose, any transfer or transmission application in respect of Scheme Shares received after the Record Date.
- (d) Golden Circle will maintain or procure the maintenance of the Register in accordance with this clause 5. The Register in this form will solely determine the persons who are Scheme Shareholders and their entitlements to the Scheme Consideration.
- (e) From the Record Date, all holding statements for Golden Circle Shares will cease to have effect as documents of title, and each entry on the Register at the Record Date will cease to have any effect other than as evidence of the entitlements of Scheme Shareholders to the Scheme Consideration.

## 6. Quotation of Golden Circle Shares

- (a) It is expected that the suspension of trading in Golden Circle Shares on NSX will occur from the close of trading on the day on which Golden Circle notifies NSX that the Court has approved this Scheme under section 411(4)(b) of the Corporations Act.
- (b) On a date after the Implementation Date to be determined by Heinz, Golden Circle will apply for termination of the official quotation on NSX of Golden Circle Shares and will apply to have Golden Circle removed from the official list of NSX.

## 7. General

### 7.1 Alterations and conditions

If the Court proposes to approve this Scheme subject to any alterations or conditions, Golden Circle may, by its counsel or solicitors but subject to the prior written approval of Heinz, consent on behalf of all Scheme Shareholders to those alterations or conditions.

### 7.2 Covenants by Scheme Shareholders

- (a) Each Scheme Shareholder:
  - (i) agrees to the transfer of all of their Scheme Shares to Heinz in accordance with this Scheme;
  - (ii) agrees to the modification or variation of the rights attaching to their Scheme Shares arising from this Scheme;
  - (iii) without the need for any further act, irrevocably appoints Golden Circle and each of its directors and officers, jointly and severally, as that Scheme Shareholder's attorney and agent for the purpose of executing any document or doing any other act necessary to give full effect to this Scheme and the transactions contemplated by it, including without limitation, the execution and provision of a Scheme Share Transfer; and
  - (iv) consents to Golden Circle doing all things and executing all deeds, instruments, transfers and other documents as may be necessary or desirable to give full effect to this Scheme and the transactions contemplated by it.
- (b) From the Effective Date until Golden Circle registers Heinz as the holder of the Scheme Shares in the Register, each Scheme Shareholder is deemed to have appointed Golden Circle as its attorney and agent (and directed Golden Circle in such capacity) to appoint the Chairman of Heinz as its sole proxy and, where applicable, corporate representative to attend shareholder meetings of Golden Circle, exercise the votes attaching to the Scheme Shares of which they are the registered holder and sign any Golden Circle Shareholders'

resolution, and no Scheme Shareholder may attend or vote at any of those meetings or sign or vote on any resolutions (whether in person, by proxy or by corporate representative) other than pursuant to this clause 7.2(b). Golden Circle undertakes in favour of each Scheme Shareholder that it will appoint the Chairman of Heinz as the Scheme Shareholder's proxy or, where applicable, corporate representative in accordance with this clause 7.2(b).

#### **7.3 Status of Scheme Shares**

- (a) The Scheme Shareholders are deemed to have warranted to Heinz that all their Scheme Shares (including any rights and entitlements attaching to those shares) which are transferred to Heinz under this Scheme will, at the date of the transfer of them to Heinz, be fully paid and free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise, and that they have full power and capacity to sell and to transfer their Scheme Shares (including any rights and entitlements attaching to those shares).
- (b) Heinz will be beneficially entitled to the Scheme Shares transferred to it under this Scheme pending registration by Golden Circle of the name and address of Heinz in the Register as the holder of the Scheme Shares.

#### **7.4 Notices**

Where a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Golden Circle, it will not be deemed to be received in the ordinary course of post or on a date other than the date (if any) on which it is actually received at Golden Circle's registered office.

#### **7.5 Further assurances**

Golden Circle will do all things and execute all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to this Scheme and the transactions contemplated by it.

#### **7.6 Costs**

Golden Circle will pay the costs of this Scheme, except that Heinz will pay any stamp duty payable on the transfer by Scheme Shareholders of the Scheme Shares to Heinz.

#### **7.7 Proper law**

The proper law of this Scheme is the law of Queensland.

# Deed Poll

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by

**H. J. Heinz Company Australia Limited**

in favour of

**The holders of Scheme Shares**

MinterEllison

L A W Y E R S

RIALTO TOWERS, 525 COLLINS STREET, MELBOURNE VIC 3000, DX 204 MELBOURNE  
TEL: +61 3 8608 2000 FAX: +61 3 8608 1000  
[www.minterellison.com](http://www.minterellison.com)



## Deed Poll

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|                                   |          |
|-----------------------------------|----------|
| <b>Details</b>                    | <b>3</b> |
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## Details

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### Date

22 October 2008

### Parties

|                 |  |
|-----------------|--|
| Name            | <b>H. J. Heinz Company Australia Limited</b> ACN 004 200 319 |
| Short form name | <b>Heinz</b>   |
| Notice details  | Freshwater Place, 2 Southbank Boulevard, Southbank, Victoria |

### Background

- A On 6 October 2008, Golden Circle and Heinz entered into an Implementation Agreement (**Implementation Agreement**).
- B Under the Implementation Agreement, Golden Circle has agreed that it will propose and implement the Scheme in accordance with the Implementation Agreement.
- C Under the Implementation Agreement, Heinz has agreed to take all steps reasonably necessary to assist Golden Circle in proposing and implementing the Scheme in accordance with the Implementation Agreement.
- D Heinz is entering into this Deed Poll for the purpose of covenanting in favour of Scheme Shareholders to perform certain of its obligations under the Implementation Agreement and the Scheme.
- E The effect of the Scheme will be that the Scheme Shares, together with all rights and entitlements attaching to them, will be transferred to Heinz in exchange for the Scheme Consideration.

## Agreed terms

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### 1. Defined terms & interpretation

#### 1.1 Definitions

Words and phrases defined in the Implementation Agreement have the same meanings in this Deed Poll unless the context requires otherwise.

#### 1.2 Interpretation

- (a) In this Deed Poll, unless the context otherwise requires:
  - (i) the singular includes the plural and vice versa;
  - (ii) reference to a person includes include references to corporations, partnerships, joint ventures, associations, bodies corporate and any Regulatory Authority;
  - (iii) references to agreements or deeds are to agreements or deeds as amended from time to time;
  - (iv) reference to a party includes their executors, administrators and permitted assigns or, being a company, its successors and permitted assigns;
  - (v) an agreement, representation or warranty in favour of two or more persons is for the benefit of each and all of them;
  - (vi) a reference to a clause, party, annexure, exhibit or schedule is a reference to a clause of, and a party, annexure, exhibit and schedule to, this Deed Poll and a reference to this Deed Poll includes any annexure, exhibit and schedule; and
  - (vii) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements to it.
- (b) Clause headings in this Deed Poll do not affect the interpretation of this Deed Poll.
- (c) Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.

#### 1.3 Time for performance

- (a) If the day on or by which a payment or an act is to be done under this Deed Poll is not a Business Day, that act must be done on the next Business Day.
- (b) In this Deed Poll, if a period occurs from, after or before a day or the day of an act or event, it excludes that day.
- (c) In this Deed Poll, a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later.
- (d) In this Deed Poll a reference to time is a reference to Sydney time.

### 2. Nature of Deed Poll

Heinz acknowledges that this Deed Poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not party to it.

### 3. Condition

#### 3.1 Condition

Heinz's obligations under clause 4 are subject to the Scheme becoming Effective.

#### 3.2 Termination

If:

- (a) the Scheme does not become Effective on or before the End Date; or
- (b) the Implementation Agreement is terminated in accordance with clause 3 or 12 of the Implementation Agreement,

Heinz's obligations under this Deed Poll will automatically terminate and the terms of this Deed Poll will have no further force or effect.

#### 3.3 Consequences of termination

If this Deed Poll is terminated under clause 3.2, then in addition and without prejudice to any other rights, power or remedies available to it, Heinz is released from its obligations to further perform this Deed Poll except those obligations in clause 7.1 and Scheme Shareholders retain the rights they have against Heinz in respect of any breach of this Deed Poll which occurs before it is terminated.

### 4. Payment of consideration

#### 4.1 Performance of Scheme obligations generally

Subject to clause 3, Heinz covenants to perform its obligations under the Scheme.

#### 4.2 Payment of Scheme Consideration

Subject to clause 3, in consideration of the transfer of each Scheme Share to Heinz, Heinz will pay to each Scheme Shareholder the Scheme Consideration in respect of the Scheme Shares registered in the name of that Scheme Shareholder as at the Record Date, in accordance with the provisions of the Scheme.

#### 4.3 Timing and manner of payment

- (a) The obligations of Heinz to pay or procure the payment of the Scheme Consideration will be satisfied by:
  - (i) on or before 2.00pm on the Implementation Date, Heinz depositing an amount equal to the aggregate Scheme Consideration payable to all Scheme Shareholders in cleared funds in a trust account established in the name of Golden Circle and operated by an Australian bank (**Trust Account**), such amount to be held on trust by Golden Circle for the sole purpose of paying the Scheme Consideration to those Scheme Shareholders, except that any interest on the amount deposited in the Trust Account will be for the account of Heinz; and
  - (ii) Golden Circle:
    - (A) dispatching or procuring the dispatch from the Trust Account within five Business Days of the Implementation Date to each Scheme Shareholder (other than a Scheme Shareholder who has notified an account with an Australian bank as provided by sub-paragraph (B)) by pre-paid post to the address of the Scheme Shareholder recorded in the Register a cheque in Australian currency in the name of that Scheme Shareholder; or

- (B) if a Scheme Shareholder has notified Golden Circle an account with an Australian bank which has been recorded in or for the purpose of the register as at the Record Date, making a deposit to that account,

for the amount equal to the number of Scheme Shares held by that Scheme Shareholder at the Record Date multiplied by the Scheme Consideration.

- (b) In the case of joint holders of Scheme Shares, the cheque will be forwarded to the holder whose name appears first in the Register on the Record Date.

## 5. Warranties

Heinz warrants that:

- (a) it is a corporation validly existing under the laws of its place of incorporation;
- (b) it has the corporate power to enter into and perform its obligations under this Deed Poll and to carry out the transactions contemplated by this Deed Poll;
- (c) it has taken necessary corporate action to authorise its entry into this Deed Poll and has taken or will take all necessary corporate action to authorise the performance of this Deed Poll and to carry out the transactions contemplated by this Deed Poll; and
- (d) this Deed Poll is valid and binding upon it.

## 6. Continuing obligations

### 6.1 Deed Poll irrevocable

This Deed Poll is irrevocable and, subject to clause 3, remains in full force and effect until the earlier of:

- (a) Heinz having fully performed its obligations under this Deed Poll; and
- (b) termination of this Deed Poll under clause 3.2.

### 6.2 Variation

A provision of this Deed Poll may not be varied unless:

- (a) before the Second Court Date, the variation is agreed to in writing by Golden Circle; or
- (b) on or after the Second Court Date, the variation is agreed to in writing by Golden Circle and is approved by the Court,

in which event Heinz will enter into a further deed poll in favour of each Scheme Shareholder giving effect to the amendment.

## 7. General

### 7.1 Stamp duty

Heinz must pay all stamp duty (if any) and any related fines and penalties in respect of the Scheme and this Deed Poll (including without limitation the acquisition or transfer of Scheme Shares pursuant to the Scheme), the performance of this Deed Poll and each transaction effected by or made under or pursuant to the Scheme and this Deed Poll.

### 7.2 Further assurances

Heinz will, at its own expense, do all things reasonably required of it to give full effect to this Deed Poll.



#### 7.3 Assignment

The rights and obligations of Heinz and each Scheme Shareholder under this Deed Poll are personal. They cannot be assigned, charged or otherwise dealt with, except that a Scheme Shareholder may assign its rights to any other party by notice in writing to Heinz.

#### 7.4 Waiver

A provision of or right under this Deed Poll may not be waived except in writing signed by the person granting the waiver.

#### 7.5 Notices

Any communication to Heinz under or in connection with this Deed Poll must be in writing and:

- (a) must be addressed as shown below:  
Address: Freshwater Place, 2 Southbank Boulevard, Southbank, Victoria 3006  
Fax no: +61 3 9861 5634  
For the attention of: Carolyn Fox, General counsel, Heinz Asia Pacific
- (b) must be signed by the person making the communication or by a person duly authorised by that person;
- (c) must be delivered or posted by prepaid post to the address, or sent by fax to the fax number of Heinz in accordance with clause 7.5(a)(i);
- (d) will be deemed to be received by Heinz:
  - (i) if sent by hand, when left at the address of Heinz;
  - (ii) if sent by pre-paid post, 3 Business Days (if posted within Australia to an address in Australia) or 10 Business Days (if posted from one country to another) after the date of posting; or
  - (iii) if sent by fax, on receipt by the sender of an acknowledgment or transmission report generated by the sender's machine indicating that the whole fax was sent to Heinz's fax number,

but if a notice is served by hand, or is received by Heinz's fax, on a day that is not a Business Day, or after 5.00 pm (Heinz's local time) on a Business Day, the notice will be considered to have been received by Heinz at 9.00 am (Heinz's local time) on the next Business Day.

#### 7.6 Governing law and jurisdiction

- (a) This Deed Poll is governed by the laws of the State of Queensland.
- (b) Heinz irrevocably submits to the non-exclusive jurisdiction of the courts of Queensland.

## Signing page

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EXECUTED as a deed

Signed sealed and delivered by H. J.  
Heinz Company Australia Limited



Signature of director

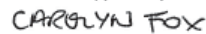


Name of director (print)

←



Signature of director/company secretary  
(Please delete as applicable)



Name of ~~director~~/company secretary (print)

←

# Part C

## Section 6

### Notice of Scheme Meeting

**Golden Circle Limited**  
**ACN 054 355 618**

#### **NOTICE OF COURT ORDERED MEETING OF GOLDEN CIRCLE LIMITED SHAREHOLDERS**

**Notice is given that**, by an Order of the Supreme Court of Queensland (**Court**) made on 24 October 2008 under section 411(1) of the *Corporations Act 2001* (Cth) (Corporations Act), the Court has directed that a meeting of the holders of fully paid ordinary shares in Golden Circle Limited (**Golden Circle**) be held at The Events Centre, 20 Minchinton Street, Caloundra, Queensland on Monday, 1 December 2008 commencing at 2.00pm Brisbane time.

The Court has also directed that Phillip Cave act as Chairman of the meeting.

#### Purpose of the meeting

The purpose of the meeting is to consider and, if thought fit, to agree (with or without any modification or conditions required by the Court to which Golden Circle and Heinz agree) to a scheme of arrangement proposed to be made between Golden Circle and the holders of its ordinary shares (**Scheme**).

A copy of the Scheme and a copy of the Explanatory Statement required by section 412 of the Corporations Act in relation to the Scheme are contained in the Explanatory Booklet of which this notice forms part.

#### Resolution

The meeting will be asked to consider and, if thought fit, pass the following resolution:

*'That pursuant to and in accordance with the provisions of section 411 of the Corporations Act, the members are in favour of the arrangement proposed between Golden Circle and the holders of its fully paid ordinary shares, designated the 'Scheme', as contained in and more particularly described in the Explanatory Booklet accompanying the notice convening this meeting (with or without any modifications or conditions required by the Court to which Golden Circle and Heinz agree) and, subject to approval of the Scheme by the Court, the Board of Directors of Golden Circle is authorised to implement the Scheme with any such modifications or conditions.'*

**DATED** 31 October 2008

BY ORDER OF THE COURT



Darryn Hammond  
Company Secretary

#### 7.1 General

Capitalised words and phrases contained in this Notice of Meeting (including the proposed resolution) have the same meaning as set out in the Glossary in Part D of this Explanatory Booklet, of which this notice forms part.

This notice should be read in conjunction with the entire Explanatory Booklet of which this notice forms part. The Explanatory Booklet contains important information to assist you in determining how to vote on the proposed resolution. The Explanatory Booklet includes a copy of the Scheme (refer Part C Section 4) and a copy of the Explanatory Statement required by section 412 of the Corporations Act in relation to the Scheme of Arrangement.

#### 7.2 Voting entitlements

The Court has ordered that, for the purposes of the Scheme Meeting, each Shareholder registered in the Golden Circle Share Register as the holder of Golden Circle Shares at 7.00pm Sydney time on 29 November 2008 is entitled to attend and vote at the Scheme Meeting, either in person, by proxy or attorney or, in the case of a corporate Golden Circle Shareholder, by a personal representative.

#### 7.3 Required voting majority

The resolution to approve the Scheme is subject to approval by the majorities required under section 411(4)(a)(ii) of the Corporations Act. The resolution to approve the Scheme must be approved by:

- unless the Court orders otherwise, a majority in number (more than 50%) of Golden Circle Shareholders present and voting at the Scheme Meeting (whether in person, by proxy, attorney or, in the case of corporate Golden Circle Shareholders, by corporate representative); and
- Golden Circle Shareholders whose Golden Circle Shares in aggregate account for at least 75% of the votes cast on the resolution.

The vote will be conducted by poll.

#### 7.4 Court approval

In accordance with section 411(4)(b) of the Corporations Act, the Scheme (with or without any modification required by the Court to which Golden Circle and Heinz agree) must also be approved by an order of the Court. If all conditions to the Scheme are satisfied or waived (as applicable),

Golden Circle intends to apply to the Court for orders to give effect to the Scheme.

#### 7.5 How to vote

Golden Circle Shareholders entitled to vote at the Scheme Meeting may vote:

- by attending the meeting and voting in person; or
- by appointing an attorney to attend the meeting and vote on their behalf or, in the case of corporate Shareholders or proxies, a corporate representative to attend the meeting and vote on its behalf; or
- by appointing a proxy to attend and vote on their behalf, using the proxy form accompanying this Notice. A proxy may be an individual or a body corporate.

#### 7.6 Voting in person (or by attorney)

Golden Circle Shareholders or their proxies, attorneys or representatives (including representatives of corporate proxies) wishing to vote in person should attend the Scheme Meeting.

To vote by attorney at this meeting, the original or a certified copy of the power of attorney or other authority (if any) under which the instrument is signed must be received by the Golden Circle Share Registry before 2.00pm Brisbane time on 29 November 2008 in any of the following ways:

- **By post** in the enclosed reply paid envelope provided to the Golden Circle Share Registry:  
  
Registries Limited  
GPO Box 3993  
Sydney NSW 2001
- **By hand delivery** to the Golden Circle Share Registry at:  
  
Registries Limited  
Level 7, 207 Kent Street  
Sydney NSW 2000
- **By fax** to the Golden Circle Share Registry on 1300 653 459

To vote in person, you or your proxy, attorney, representative or corporate proxy representative must attend the Scheme Meeting to be held at The Events Centre, 20 Minchinton Street, Caloundra, Queensland on 1 December 2008 commencing at 2.00pm Brisbane time.

# Part C

## Section 7

### Explanatory notes for the Scheme Meeting

A vote cast in accordance with the appointment of a proxy or power of attorney is valid even if before the vote was cast the appointor:

- died;
- became mentally incapacitated;
- revoked the proxy or power; or
- transferred the Golden Circle Shares in respect of which the vote was cast,

unless Golden Circle received written notification of the death, mental incapacity, revocation or transfer before the meeting or adjourned meeting.

### 7.7 Voting by proxy

Golden Circle Shareholders wishing to vote by proxy at this meeting must:

- complete and sign the proxy form, which is enclosed with this Explanatory Booklet; and
- deliver the signed and completed proxy form to Golden Circle by 2.00pm Brisbane time on 29 November 2008 in accordance with the instructions below.

#### Submitting proxy votes

Golden Circle Shareholders wishing to submit proxy votes for the Scheme Meeting must return the enclosed proxy form to Golden Circle in any of the following ways:

- **By post** in the enclosed reply paid envelope provided to the Golden Circle Share Registry:  
  
Registries Limited  
GPO Box 3993  
Sydney NSW 2001
- **By internet**, by logging on to Golden Circle's online proxy website at [www.registries.com.au/vote/gco](http://www.registries.com.au/vote/gco) by no later than 2.00pm (Brisbane time) on 29 November 2008
- **By hand delivery** to the Golden Circle Share Registry at:  
  
Registries Limited  
Level 7, 207 Kent Street  
Sydney NSW 2000
- **By fax** to the Golden Circle Share Registry on 1300 653 459
- 

#### Notes for proxy appointments

- A Golden Circle Shareholder entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and vote at the meeting on that Golden Circle Shareholder's behalf.
- A proxy need not be a Golden Circle Shareholder.
- A proxy may be an individual or a body corporate.
- If a Golden Circle Shareholder appoints one proxy, that proxy may, subject to the Corporations Act, vote on a show of hands.
- If a Golden Circle Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Golden Circle Shareholder's votes each proxy may exercise, each proxy may exercise half the votes. However, neither proxy may vote on a show of hands.
- A proxy may demand or join in demanding a poll.
- A proxy may vote or abstain as he or she chooses except where the appointment of the proxy directs the way the proxy is to vote on a particular resolution. If an appointment directs the way the proxy is to vote on a particular resolution:
  - the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote in the way directed;
  - if the proxy has two or more appointments that specify different ways to vote on the resolution - the proxy must not vote on a show of hands;
  - if the proxy is the chair - the proxy must vote on a poll and must vote in the way directed; and
  - if the proxy is not the chair - the proxy need not vote on a poll, but if the proxy does so, the proxy must vote in the way directed.
- If a proxy appointment is signed by the Golden Circle Shareholder but does not name the proxy or proxies in whose favour it is given, the Chairperson may either act as proxy or complete the proxy appointment by inserting the name or names of one or more Directors or the Company Secretary.



- If:
  - a Golden Circle Shareholder nominates the Chairman of the meeting as the Golden Circle Shareholder's proxy; or
  - the Chairman is otherwise appointed to act as proxy,then the person acting as Chairman in respect of an item of business at the meeting must act as proxy under the appointment in respect of that item of business. The Chairman intends to vote undirected proxy votes of which he is appointed as proxy in favour of the resolution to approve the Scheme.

#### 7.8 Voting by corporate representatives

To vote in person at the Scheme Meeting, a Golden Circle Shareholder or proxy which is a body corporate may appoint an individual to act as its representative.

To vote by corporate representative at the meeting, a corporate Golden Circle Shareholder or proxy should obtain an Appointment of Corporate Representative Form from the Golden Circle Share Registry, complete and sign the form in accordance with the instructions on it. The appointment should be lodged with the Golden Circle Share Registry or at the registration desk on the day of the meeting.

The appointment of a representative may set out restrictions on the representative's powers.

The original form of appointment of a representative, a certified copy of the appointment, or a certificate of the body corporate evidencing the appointment of a representative is prima facie evidence of a representative having been appointed.

The Chairman of the meeting may permit a person claiming to be a representative to exercise the body's powers even if he or she has not produced a certificate or other satisfactory evidence of his or her appointment.

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# Part D

## Glossary

## Part D

### Glossary

The following terms used in this Explanatory Booklet (including the notice of meeting in Part C, Section 6 of this Explanatory Booklet) have the meanings given to them below, unless the context otherwise requires.

|                                |   |
|--------------------------------|---|
| <b>2007/2008 Annual Report</b> | the 2007/2008 annual report of Golden Circle  |
| <b>Anchorage</b>               | Anchorage Golden Circle Pty Ltd ACN 127 595 653   |
| <b>ASIC</b>                    | Australian Securities and Investments Commission  |
| <b>Business Day</b>            | a day that is not a Saturday, Sunday, public holiday or bank holiday in Brisbane, Australia or Melbourne, Australia   |
| <b>Close of Trading</b>        | close of trading on the NSX on the Effective Date   |
| <b>Competing Proposal</b>      | <p>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 corporate of Heinz) would:</p> <ul style="list-style-type: none"><li>• directly or indirectly, acquire an interest in, a relevant interest in or become the holder of:<ul style="list-style-type: none"><li>– more than 20% of the Shares; or</li><li>– the whole or a substantial part or a material part of the business or property of Golden Circle or the Golden Circle Group;</li></ul></li><li>• acquire control of Golden Circle, within the meaning of section 50AA of the Corporations Act; or</li><li>• otherwise acquire or merge with Golden Circle (including by a reverse takeover bid, reverse scheme of arrangement or dual listed company structure)</li></ul> |
| <b>Corporations Act</b>        | the <i>Corporations Act 2001</i> (Cth)  |
| <b>Court</b>                   | the Supreme Court of Queensland   |
| <b>Deed Poll</b>               | the Deed Poll executed by Heinz on 22 October 2008 for the benefit of Scheme Shareholders in which Heinz acknowledges and confirms its obligation to pay the Scheme Consideration. A copy of the executed Deed Poll is reproduced in Part C, Section 5 of this Explanatory Booklet  |
| <b>Director</b>                | a Director of Golden Circle (the Directors as at the date of this Explanatory Booklet are the persons specified in Part B, Section 6)   |
| <b>Dollar or \$</b>            | the lawful currency for the time being of the Commonwealth of Australia   |
| <b>EBITDA</b>                  | earnings before interest, tax, depreciation and amortisation  |
| <b>Effective</b>               | when used in relation to the Scheme, the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court approving the Scheme under section 411(4)(b) of the Corporations Act  |

|   |   |
|---|---|
| <b>Effective Date</b>   | when used in relation to the Scheme, the date on which the order of the Court approving the Scheme under section 411(4)(b) of the Corporations Act comes into effect pursuant to section 411(10) of the Corporations Act  |
| <b>End Date</b>   | <ul style="list-style-type: none"> <li>• 11.59pm on 31 January 2009; or</li> <li>• 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</li> <li>• such other date and time agreed in writing between Heinz and Golden Circle</li> </ul> |
| <b>Excluded Share</b>   | any Golden Circle share held by or on behalf of Heinz   |
| <b>Exclusivity Period</b>   | <p>the period commencing on 6 October 2008 and ending on the earliest of:</p> <ul style="list-style-type: none"> <li>• the End Date;</li> <li>• the Effective Date; and</li> <li>• the date the Implementation Agreement is terminated in accordance with its terms</li> </ul>  |
| <b>Explanatory Booklet</b>  | this explanatory booklet dated 31 October 2008 in relation to the Heinz Proposal  |
| <b>FIRB</b>   | Foreign Investment Review Board   |
| <b>GE</b>   | GE Capital Asset Services and Trading Asia Pacific Pty Ltd ACN 078 961 118  |
| <b>Golden Circle or Company</b>   | Golden Circle Limited ACN 054 355 618   |
| <b>Golden Circle Board or Board</b>   | the Board of Directors of Golden Circle as at the date of this Explanatory Booklet  |
| <b>Golden Circle Group</b>  | Golden Circle and its Subsidiaries  |
| <b>Golden Circle Shareholder Information Meeting or Shareholder Information Meeting</b> | the meeting to be held at The Events Centre, 20 Minchinton Street, Caloundra, Queensland on 13 November 2008 commencing at 2.00pm where Golden Circle Shareholders will have the opportunity to further understand the Heinz Proposal and to meet the Managing Director of Heinz, Mr Peter Widdows  |
| <b>Golden Circle Option or Option</b>   | an option to acquire by way of issue a Golden Circle Share (subject to the satisfaction of relevant vesting provisions in accordance with the LTIP)   |
| <b>Golden Circle Share or Share</b>   | a fully paid ordinary share in the capital of Golden Circle   |
| <b>Golden Circle Shareholder or Shareholder</b>   | a person registered on the Golden Circle Share Register as a member of Golden Circle  |



# Part D

## Glossary

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| <b>Golden Circle Share Register</b>  | the register of members of Golden Circle maintained by or on behalf of Golden Circle in accordance with section 168(1) of the Corporations Act  |
| <b>Golden Circle Share Registry</b>  | Registries Limited ACN 003 209 836  |
| <b>Heinz</b>   | H.J. Heinz Company Australia Limited ACN 004 200 319, a wholly owned subsidiary of H.J. Heinz Company   |
| <b>Heinz Information</b>   | the information prepared by Heinz for inclusion in this Explanatory Booklet and for which Heinz is solely responsible, being the section under the heading 'Heinz overview and objectives' in the Chairman's Letter and Part B, Section 7                                       |
| <b>Heinz Proposal</b>  | the proposed acquisition of Golden Circle by Heinz, pursuant to the Scheme, as announced to NSX on 6 October 2008   |
| <b>Implementation Date</b>   | the date that the Heinz Proposal is to be implemented according to its terms. The Implementation Date is expected to be on or about 19 December 2008  |
| <b>Implementation Agreement</b>  | the agreement between Heinz and Golden Circle dated 6 October 2008 under which each party undertakes specific obligations to give effect to the Heinz Proposal. The Implementation Agreement (without schedules) is reproduced in Part C, Section 3 of this Explanatory Booklet |
| <b>Independent Expert or Ernst &amp; Young Transaction Advisory Services Limited</b> | Ernst & Young Transaction Advisory Services Limited ABN 87 003 599 844, Australian Financial Services Licence Number 240585, of 1 Eagle Street, Brisbane, Queensland 4000 Australia   |
| <b>Independent Expert's Report</b>   | the report of the Independent Expert expressing an opinion on whether the Heinz Proposal is in the best interest of Scheme Shareholders. The Independent Expert's Report is set out in Part C, Section 1 of this Explanatory Booklet  |
| <b>Listing Rules</b>   | the listing rules of the NSX  |
| <b>LTIP or Long Term Investment Plan</b>   | the Golden Circle Long Term Investment Plan as approved by the Shareholders of Golden Circle on 7 March 2008 under which Golden Circle may grant Golden Circle Options to eligible senior managers  |

**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 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;

other than:

- a matter, event or circumstance required to be done or procured by Golden Circle pursuant to the Implementation Agreement or the Scheme;
- a matter, event or circumstance to the extent that it was fairly disclosed in the due diligence material;
- a matter, event or circumstance to the extent that it was fairly disclosed in the disclosure letter; or
- a matter, event or circumstance to the extent that it was apparent or reasonably ascertainable by Heinz or its Representatives from information that was publicly available at least two Business Days prior to the date of the Implementation Agreement from public filings with the NSX or ASIC

**NSX**

National Stock Exchange of Australia Limited ACN 000 902 063

**Optionholder**

a holder of a Golden Circle Option

**Part**

a part of this Explanatory Booklet

**Record Date**

the date for determining entitlements to the Scheme Consideration, being 5.00pm Brisbane time on the fifth Business Day (or such as other Business Day as Golden Circle and Heinz agree) following the date on which the Scheme becomes Effective. The Record Date is expected to be 5.00pm Brisbane time on 16 December 2008

**Regulatory Authority**

a government or a governmental, semi governmental or judicial entity or authority or any Minister, department, office or delegate of any government. It includes a self regulatory organisation established under statute or a financial market, ASIC, NSX and the Treasurer of the Commonwealth of Australia

## Part D

### Glossary

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| <b>Scheme or Scheme of Arrangement</b> | the proposed members' scheme of arrangement under Part 5.1 of the Corporations Act between Golden Circle and its Shareholders to give effect to the Heinz Proposal, as set out in Part C, Section 4 of this Explanatory Booklet, subject to any modifications or conditions made or required by the Court under section 411(6) of the Corporations Act and approved by Golden Circle and Heinz   |
| <b>Scheme Consideration</b>            | an amount of \$1.65 cash per Scheme Share  |
| <b>Scheme Meeting</b>                  | the meeting of Golden Circle Shareholders to be held at The Events Centre, 20 Minchinton Street, Caloundra, Queensland on 1 December 2008 commencing at 2.00pm to consider and vote on the Scheme. The notice convening the Scheme Meeting is contained in Part C, Section 6 of this Explanatory Booklet   |
| <b>Scheme Resolution</b>               | the proposed resolution to approve the Scheme at the Scheme Meeting  |
| <b>Scheme Share</b>                    | a Golden Circle Share on issue as at the Record Date, other than an Excluded Share   |
| <b>Scheme Shareholder</b>              | a Golden Circle Shareholder as at the Record Date  |
| <b>Second Court Date</b>               | the first day on which the Second Court Hearing is heard   |
| <b>Second Court Hearing</b>            | the hearing by the Court of Golden Circle's application to approve the Scheme under section 411(4)(b) of the Corporations Act  |
| <b>Section</b>                         | a section of this Explanatory Booklet  |
| <b>Subsidiary</b>                      | has the meaning given to that term in section 46 of the Corporations Act   |
| <b>Superior Proposal</b>               | <p>a bona fide Competing Proposal which:</p> <ul style="list-style-type: none"><li>• 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 person making it; and</li><li>• 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)</li></ul> |
| <b>Time Reference</b>                  | any reference to time is to the legal time in Brisbane, Queensland, Australia unless otherwise stated  |
| <b>Voting Entitlement Time</b>         | the time for determining eligibility of Golden Circle Shareholders to vote on the Scheme at the Scheme Meeting, being 7.00pm Sydney time on 29 November 2008   |
| <b>VWAP</b>                            | volume weighted average price  |

# Corporate Directory

## Registered office

260 Earnshaw Road  
Northgate QLD 4013

Ph: (07) 3266 0000

Fax: (07) 3266 0789

Website: [www.goldencircle.com.au](http://www.goldencircle.com.au)

Email: [info@goldencircle.com.au](mailto:info@goldencircle.com.au)

## Golden Circle share registry

### Registries Ltd

GPO Box 3993  
Sydney NSW 2001

Ph: 1300 737 760

Fax: 1300 653 459

Website: [www.registries.com.au](http://www.registries.com.au)

Email: [callcentre@registries.com.au](mailto:callcentre@registries.com.au)

## Financial adviser

### ABN AMRO

Level 25, 88 Phillip Street  
Sydney NSW 2000

Ph: 02 8259 5000

Fax: 02 8259 5444

## Corporate Legal adviser

### Minter Ellison (Melbourne)

Rialto Towers, Level 23, 525 Collins Street  
Melbourne VIC 3000

Ph: 03 8608 2000

Fax: 03 8608 1000

### Minter Ellison (Brisbane)

Waterfront Place  
1 Eagle Place  
Brisbane QLD 4000

Ph: 07 3119 6000

Fax: 07 3119 1000

## NSX nominated adviser

### McCullough Robertson Lawyers

Level 11, 66 Eagle Street  
Brisbane QLD 4000

Ph: (07) 3233 8888

Fax: (07) 3229 9949



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