



Patties Foods Ltd
ABN 62 007 157 182

Operations

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17 February 2012

Announcements Officer
Company Announcements Office
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MELBOURNE VIC 3000

**Patties Foods Limited (PFL) - Results for announcement to the market
- Half Year ended 31 December 2011**

In accordance with the ASX Listing Rule 4.2A, the following information in respect of the half year ended 31 December 2011 is transmitted for lodgement:

1. Half Year results announcement;
2. Appendix 4D - Half Year Report and Interim Dividend Announcement for the half year ended 31 December 2011; and
3. Directors' Report and Interim Financial Statements for the half year ended 31 December 2011.

Yours faithfully

A handwritten signature in black ink, appearing to read "Philip W Thomas".

PHILIP W THOMAS
Company Secretary



HALF YEAR RESULTS ANNOUNCEMENT

EFFECTIVE STRATEGIES UNDERPIN STRONG EARNINGS GROWTH

The Board of Patties Foods Limited (PFL) today announces the Company's financial result for the half year ended 31 December 2011.

Group summary result

\$m	H1F12	H1F11	% Change
Sales Revenue	\$119.4	\$111.8	6.8%
EBITDA	\$21.0	\$19.2	9.1%
EBIT	\$17.7	\$15.9	11.3%
NPAT	\$10.8	\$9.8	11.1%
EPS (cents)	7.8	7.0	11.1%
DPS (cents)	3.8	3.5	8.6%
Cash Inflow from Operations	\$6.4	\$9.9	(35.0%)
Return on Equity (pa.) ⁽¹⁾	15.1%	15.0%	
Net Debt	\$64.9	\$59.8	8.5%
Debt to Equity ratio	48.7%	47.8%	

⁽¹⁾ Return on Equity is calculated using the average equity over the calendar year.

The company has continued its earnings growth for the fifth consecutive half with an increase of Net Profit after Tax (NPAT) of 11.1% from the previous corresponding period to \$10.8 million.

Commenting on the results, PFL Chairman, Mr Chris Riordan said, "The sustained earnings growth in challenging trading conditions reflects board and management's commitment to our core strategies of:

- Supporting and growing our brands, particularly with a focus on innovation;
- Employing a multi-channel strategy which recognizes the significant opportunities in the Out Of Home channel;
- Being the lowest cost producer through improved manufacturing efficiencies and stringent cost control."

Managing Director Mr Greg Bourke, said, "It is pleasing to continue the earnings growth of the last two years. In these difficult trading conditions, we have controlled costs, captured new revenue opportunities in the Out-Of-Home channel and continued to invest in our brands.

This ongoing investment in our brands has seen the company maintain strong market leadership in our product segments in the In-Home supermarket channel against rising pressure from private label products. Our Four'n Twenty, Herbert Adams, Patties and Chef's Pride brands all grew in Out-of-Home in the December half."

The principal drivers of the improved trading result were:

- Revenue increasing by \$7.6m.
- Continued manufacturing efficiencies.
- Effective cost control notwithstanding an increased cost of warehousing from a tactical increase in finished goods and raw materials inventory.

Trading highlights for the six months were:

- Good revenue growth from:
 - Strong branded growth in Petrol and Convenience channel, with the Four'n Twenty brand now the market leader.
 - Successful development and launch of new products for BP and Brumby's supply contract.
 - Product innovation including
 - Creative Gourmet Smoothie Cubes
 - Patties' East Meets West entertainment pack.
 - Nanna's Combo pack of snack pies.
 - Herbert Adams King Island Gourmet party range.
 - Increased Frozen Fruit sales by 25%
 - Maintaining In-Home branded market leadership.
- Continuing improvement in manufacturing efficiencies driving lower labour and overhead costs per unit.
- Good earnings growth from Davies bakery with increased bread sales.

Operational highlights for the six months were:

- Successfully negotiated 3 year Enterprise Bargaining Agreements with Bairnsdale Manufacturing team, and National Merchandising team.
- Continuing strong customer service levels.
- Continued development of Occupational Health and Safety management system including safety training for over 400 employees in Bairnsdale.
- Completed major consumer research in savoury category to set the framework for category growth.
- Further developed our category management capability.

Our hard working and loyal people continue to make a positive difference to the business and enable the strong earnings growth to continue in challenging trading conditions.

The Bairnsdale Packing Room Redevelopment project is progressing but delayed. The automated palletiser has been installed and now all production from the major lines is palletised and transferred in a one person operation. The automation equipment has been delayed from Europe due to the manufacturer's design error of a secondary component. We are working closely with the supplier to expedite the installation. We remain confident of the capability of this state-of-the-art equipment and we expect the project to be commissioned in Q1F13.

Dividend

A fully franked interim dividend of [3.8] cents per share (FY11: 3.5 cps) has been declared representing a 8.6% increase on the previous corresponding period. The record date for entitlement is 19 March 2012 and the payment date is 13 April 2012.

Capital Management

The Balance sheet remains strong with conservative gearing where by the net debt to equity ratio² remains stable at 48.7% at 31 December 2011 (47.8% at 31 December 2010). Net debt increased by \$5.1m to \$64.9m (31 December 2010 \$59.8m) to support working capital and up weighted capital expenditure. Total net cash flow generated from operating activities in H1F12 was \$6.4m (H1F11 \$9.9m) which remains solid although reduced due to tactical increase in inventory and tax paid. Interest cover³ was strong at 6.9x (H1F11: 6.5x).

Outlook

The economic climate continues to be volatile. Low consumer confidence and industry conditions represent a challenging trading environment. However, with our pipeline of new products to be launched in H2F12, the contribution from our new contracts and continuing manufacturing efficiencies, and with the resilience of our major categories in uncertain economic times, we expect continued earnings improvement for the remainder of FY12.

For further information refer to www.patties.com.au or contact

Greg Bourke, Managing Director, ph 03 8540 9100

About Patties Foods

Patties Foods Limited (ASX:PFL) listed in November 2006 and is the leading Australian-owned branded frozen food company, with market leadership in the frozen savoury, frozen dessert and frozen fruit segments.

Iconic brands in the Patties Foods portfolio include Four'N Twenty, Herbert Adams, Nanna's, Patties, Creative Gourmet and Chef's Pride. PFL manufactures and markets quality food products for the supermarket, petrol & convenience, catering and general foodservice channels in all parts of Australia.

² Debt to equity ratio is calculated as net debt vs. total equity

³ Interest cover is calculated as underlying EBIT divided by interest.

Appendix 4D

Half year report

Name of entity

Patties Foods Limited

ABN or equivalent company reference: ABN 62 007 157 182

1. Reporting period

Report for the half year ended	31 December 2011
Previous corresponding period is the half year ended	31 December 2010

2. Results for announcement to the market

			A\$'000
Revenue from ordinary activities (<i>item 2.1</i>)	up	6.8%	to 119,411
Earnings before interest, tax, depreciation & amortisation (EBITDA)	up	9.1%	to 20,982
Earnings before interest and tax (EBIT)	up	11.3%	to 17,705
Net profit (loss) from ordinary activities after tax attributable to members (<i>Item 2.2 & 2.3</i>)	up	11.1%	to 10,844
Dividends (<i>item 2.4</i>)	Date paid / payable (<i>item 5</i>)	Amount per security	Franked amount per security
Interim dividend			
Current reporting period	13 APR 2012	3.8¢	3.8¢
Previous corresponding period	14 APR 2011	3.5¢	3.5¢
Record date for determining entitlements to the interim dividend (<i>item 2.5</i>):		19 March 2012	
Brief explanation (<i>item 2.6</i>): Please refer to the commentary in the review of operations and activities section of the directors' report and the Half Year Results Announcement accompanying this Half Year Report.			

3. Net tangible assets per security

	Current period	Previous corresponding period
Net tangible asset backing (per share)	\$0.39	\$0.34
Net asset backing (per share)	\$0.96	\$0.90

4. Details of entities over which control has been gained or lost

Not Applicable

5. Total dividend on all securities paid or payable in period

	Current period \$A'000	Previous corresponding period - \$A'000
Final Dividend Paid	\$5,838	\$4,862
Total dividends paid in period	\$5,838	\$4,862

6. There is currently no dividend reinvestment plan in place

7. Share of net profit/(loss) after tax from associates

	% Holding	2011 A\$'000	2010 A\$'000
Davies Bakery Pty Ltd	50%	\$591	\$248
Piper Partners Pty Ltd	50%	(\$6)	\$0

8. Foreign Entities accounting standards

Not Applicable

9. Audit of the financial report

The financial report has been subject to a half year review by PricewaterhouseCoopers and no review dispute or qualification is contained in the attached independent review report for the half year ended 31 December 2011.

Patties Foods Limited

ABN 62 007 157 182

Interim financial statements for the half-year ended 31 December 2011

Patties Foods Limited ABN 62 007 157 182
Interim financial statements - 31 December 2011

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Directors' report

Your directors present their report on the consolidated entity consisting of Patties Foods Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2011.

Directors

The following persons were directors of Patties Foods Limited ("the Company") during the whole of the half-year and up to the date of this report:

Gregory J Bourke
Gregory J Dhnaram
J Curt Leonard
Henricus J Rijs
Richard C Rijs
Christopher J Riordan
John P Schmoll

Review of operations

The Group's net profit after tax for the half-year to 31 December 2011 (1H12) amounted to \$10,843,694, an increase of 10.6% on the previous corresponding period (1H11:\$9,758,000).

The principal drivers of this improved trading result were:

- Sales Revenue increasing by 6.8% from \$111,838,000 in 1H11 to \$ 119,411,000 in 1H12.
- Continued manufacturing efficiencies.
- Effective operating cost control.

The basic earnings per share were 7.8 cents (1H11:7.0 cents).

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

Rounding of amounts

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.



Christopher J Riordan
Director

Melbourne
17 February 2012



Auditor's Independence Declaration

As lead auditor for the review of Patties Foods Limited for the half-year ended 31 December 2011, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Patties Foods Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'John O'Donoghue', is written over a light grey horizontal line.

John O'Donoghue
Partner
PricewaterhouseCoopers

17 February 2012

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Patties Foods Limited ABN 62 007 157 182
Interim financial statements - 31 December 2011

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This interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2011 and any public announcements made by Patties Foods Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

This interim financial report covers the half year to 31 December 2011 and the corresponding half year to 31 December 2010.

Patties Foods Limited
Consolidated statement of comprehensive income
For the half-year ended 31 December 2011

	Notes	2011 \$'000	2010 \$'000
Revenue from continuing operations			
Sale of goods	3	119,030	111,487
Other revenue from ordinary activities	3	381	351
		119,411	111,838
Other income	4	30	92
Expenses			
Cost of sales of goods		(72,651)	(66,711)
Distribution		(13,268)	(12,446)
Sales and marketing		(10,614)	(11,370)
Administration		(5,788)	(5,743)
Finance costs	5	(2,569)	(2,452)
Share of net profit/(loss) of associates accounted for using the equity method		585	248
Profit before income tax		15,136	13,456
Income tax expense		(4,292)	(3,698)
Profit from continuing operations		10,844	9,758
Profit attributable for the half-year		10,844	9,758
Other comprehensive income			
Changes in the fair value of cash flow hedges		(606)	368
Income tax relating to components of other comprehensive income		182	(110)
Other comprehensive income for the half-year, net of tax		(424)	258
Total comprehensive income for the half-year		10,420	10,016
Profit is attributable to:			
Owners of Patties Foods Limited		10,844	9,758
Total comprehensive income for the half-year is attributable to:			
Owners of Patties Foods Limited		10,420	10,016
		Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the company:			
Basic earnings per share	10	7.8	7.0
Diluted earnings per share	10	7.7	7.0

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Patties Foods Limited
Consolidated balance sheet
As at 31 December 2011

	31 December 2011	30 June 2011
Notes	\$'000	\$'000
ASSETS		
Current assets		
Cash and cash equivalents	99	1,251
Receivables	41,798	40,783
Inventories	40,395	30,948
Derivative financial instruments	2	95
Total current assets	82,294	73,077
Non-current assets		
Investments accounted for using the equity method	9,180	8,844
Property, plant and equipment	70,417	67,707
Intangible assets	79,029	78,943
Total non-current assets	158,626	155,494
Total assets	240,920	228,571
LIABILITIES		
Current liabilities		
Payables	28,999	25,755
Borrowings	3,520	2,153
Derivative financial instruments	201	290
Current tax liabilities	2,645	2,894
Provisions	3,171	3,202
Total current liabilities	38,536	34,294
Non-current liabilities		
Borrowings	61,504	58,766
Deferred tax liabilities	5,872	6,043
Provisions	907	690
Derivative financial instruments	869	266
Total non-current liabilities	69,152	65,765
Total liabilities	107,688	100,059
Net assets	133,232	128,512
EQUITY		
Contributed equity	6 68,443	68,443
Reserves	7(a) (182)	104
Retained earnings	64,971	59,965
Total equity	133,232	128,512

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Patties Foods Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2011

	Attributable to owners of Patties Foods Limited			
	Contributed equity \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 July 2010	68,329	70	51,308	119,707
Comprehensive income	-	258	9,758	10,016
Total comprehensive income for the half-year	-	258	9,758	10,016
Transactions with owners in their capacity as owners:				
Employee Share Options	-	344	-	344
Dividends provided for or paid	-	-	(4,862)	(4,862)
	-	344	(4,862)	(4,518)
Balance at 31 December 2010	68,329	672	56,204	125,205
Balance at 1 July 2011	68,443	104	59,965	128,512
Comprehensive income	-	(424)	10,844	10,420
Total comprehensive income for the half-year	-	(424)	10,844	10,420
Transactions with owners in their capacity as owners:				
Employee Share Options	-	138	-	138
Dividends provided for or paid	-	-	(5,838)	(5,838)
	-	138	(5,838)	(5,700)
Balance at 31 December 2011	68,443	(182)	64,971	133,232

Patties Foods Limited
Consolidated statement of cash flows
For the half-year ended 31 December 2011

	2011	2010
Notes	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	129,963	117,920
Payments to suppliers and employees (inclusive of goods and services tax)	(116,460)	(103,354)
Borrowing costs paid	(2,591)	(2,489)
Income taxes paid	(4,530)	(2,221)
Net cash inflow from operating activities	6,382	9,856
Cash flows from investing activities		
Payments for property, plant and equipment	(5,767)	(2,066)
Payments for intangibles	(306)	-
Dividends received	250	-
Interest received	22	38
Net cash (outflow) inflow from investing activities	(5,801)	(2,028)
Cash flows from financing activities		
Proceeds from borrowings	20,100	9,850
Repayment of borrowings	(17,363)	(10,912)
Finance lease payments	(14)	(61)
Dividends paid to company's shareholders	(5,838)	(4,862)
Net cash inflow (outflow) from financing activities	(3,115)	(5,985)
Net increase (decrease) in cash and cash equivalents	(2,534)	1,843
Cash and cash equivalents at the beginning of the financial year	1,251	357
Cash and cash equivalents at end of half-year	(1,283)	2,200

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

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1 Summary of significant accounting policies

This general purpose interim financial report for the half-year reporting period ended 31 December 2011 has been prepared in accordance with *Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2011 and any public announcements made by Patties Foods Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

(a) Basis of preparation

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivative instruments) at fair value through profit or loss.

2 Segment information

The economic entity operates predominantly in one segment being the manufacture and marketing of frozen food products throughout Australia. Management has determined the operating segment based on the reports, reviewed by the Patties Leadership Team, that are used to make strategic decisions. Results are reviewed on a whole of business basis.

3 Revenue

	Notes	2011 \$'000	2010 \$'000
From continuing operations			
<i>Sales revenue</i>			
Sale of goods		119,030	111,487
<i>Other revenue</i>			
Rent		60	-
Interest		22	38
Dividends		-	-
Caravan Park income		299	313
		381	351
		119,411	111,838

4 Other income

	2011 \$'000	2010 \$'000
Government grants	7	65
Sundry income	2	3
Royalties	21	24
	30	92

5 Profit for the half-year

	2011 \$'000	2010 \$'000
Profit before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Buildings	465	515
Plant and equipment	2,592	2,637
Total depreciation	3,057	3,152
<i>Amortisation</i>		
Intangibles	220	178
<i>Employee Benefits</i>		
Employee benefits expense	21,688	21,170
<i>Finance Costs</i>		
Interest and finance charges paid/payable	2,569	2,452
<i>Rental expense relating to operating leases</i>		
Minimum lease payments	1,003	952
<i>Provision against assets:</i>		
Trade receivables	40	(1)
Inventories	17	(100)
	57	(101)

6 Contributed equity

(a) Share capital

	31 December 2011 Shares	30 June 2011 Shares	31 December 2011 \$'000	30 June 2011 \$'000
Ordinary shares				
Ordinary shares - fully paid	138,989,223	138,989,223	68,443	68,443

6 Contributed equity (continued)

(b) Movements in ordinary share capital

There have been no movements in ordinary share capital.

(c) Ordinary shares

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

(d) Options

Options over shares in Patties Foods Limited are granted under Patties Foods Long Term Incentive Plan (LTIP). The plan is designed to provide long term incentive to certain key management personnel to deliver long term shareholder returns. Under the plan, participants are granted options which vest if certain performance standards are met and employees are still employed by the company at the end of the vesting period. Participation in the plan is at the Board's discretion.

7 Reserves

(a) Reserves

	31 December 2011 \$'000	30 June 2011 \$'000
Hedging reserve - cash flow hedges	(747)	(323)
Share-based payments reserve	565	427
	(182)	104

	31 December 2011 \$'000	30 June 2011 \$'000
--	--	------------------------------------

Movements:

Hedging reserve - cash flow hedges

Opening balance	(323)	(105)
Revaluation - gross	(606)	(311)
Deferred tax	182	93
Balance 31 December	(747)	(323)

Share-based payments

Opening balance	427	175
Option expense	138	159
Transfer	-	93
Balance 31 December	565	427

8 Dividends

(a) Ordinary shares

	2011 \$'000	2010 \$'000
Final dividend for the year ended 30 June 2011 of 4.2 cents (2010 - 3.5 cents) per fully paid share paid on 7 October 2011 (2010 - 8 October 2010) Fully franked dividends based on tax paid @ 30%	5,838	4,862
(b) Dividends not recognised at the end of the reporting period		

	2011 \$'000	2010 \$'000
In addition to the above dividends, since the end of the half-year the directors have recommended the payment of an interim dividend of 3.8 cents per fully paid ordinary share (2010 - 3.5 cents), fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 13 April 2012 out of retained profits at 31 December 2011, but not recognised as a liability at the end of the half-year, is	5,282	4,862

9 Commitments

(a) Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

	31 December 2011 \$'000	30 June 2011 \$'000
<i>Property, plant and equipment</i> Within one year	3,305	5,258

10 Earnings per share

	Half year 2011 Cents	2010 Cents
(a) Basic earnings per share Basic earnings per share from continuing operations attributable to the ordinary equity holders of the company	7.8	7.0

10 Earnings per share (continued)

(b) Diluted earnings per share

	2011	2010
	Cents	Cents
Diluted earnings per share from continuing operations attributable to the ordinary equity holders of the company	7.7	7.0

(c) Reconciliation of earnings used in calculating earnings per share

	2011	2010
	\$'000	\$'000
<i>Basic earnings per share</i>		
Profit attributable to the ordinary equity holders of the company used in calculating basic and diluted earnings per share:	10,844	9,758

Diluted earnings per share

(d) Weighted average number of shares used as denominator

	2011	2010
	Shares	Shares
<i>Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share</i>	138,989,223	138,908,853
Adjustments for calculation of diluted earnings per share:		
Options	1,486,595	869,335
<i>Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted earnings per share</i>	140,475,818	139,778,188

(e) Information on the classification of securities

(i) Options

Options granted to employees under the Patties Foods Long Term Incentive Plan are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share. Details relating to the options are set out in note 6(d).

In the directors' opinion:

- (a) the financial statements and notes set out on pages 6 to 15 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date, and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.



Christopher J Riordan
Director

Melbourne
17 February 2012



Independent auditor's review report to the members of Patties Foods Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Patties Foods Limited, which comprises the balance sheet as at 31 December 2011, and the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Patties Foods Limited (the consolidated entity). The consolidated entity comprises both Patties Foods Limited (the company) and the entities it controlled during the half year.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim *Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Patties Foods Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

PricewaterhouseCoopers, ABN 52 780 433 757

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Liability limited by a scheme approved under Professional Standards Legislation.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Patties Foods Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PricewaterhouseCoopers

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A handwritten signature in black ink, appearing to read 'John O'Donoghue', written in a cursive style.

John O'Donoghue
Partner

17 February 2012
Melbourne