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HD **Bread** maker feels the heat
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FOOD EMBATTLED breads and spreads maker Goodman Fielder is adamant another downbeat profit result won't imperil a \$1.3 **billion** takeover offer for the **company**.

Goodman, whose brands include Meadow Lea and Vogel's **bread**, suffered a net loss of \$405.1 **million** in 2013-14, hampered by rising costs and price competition from rivals.

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The result was also dragged down by a larger-than-expected \$468.2 **million** in costs associated with the ongoing restructure of its **business**, non-cash impairment charges, and losses on the **sale** of its biscuits, meat and pizza divisions.

Stripping out those one-off charges, Goodman's underlying net profit for its continuing operations fell to \$63.1 **million** from \$75.7 **million**.

Chief executive Chris Delaney, when asked whether he was concerned the loss could derail a \$1.34 **billion** takeover bid from an Asian consortium, said: "No, I'm not." "Obviously the bidders, as part of the due diligence process, had access to a significant amount of information about the **company**.

"They were aware of what we had guided the market and what our expectations were just as much as any other shareholder was." **Hong Kong**-based investment **firm** First Pacific and Singapore agribusiness Wilmar International originally offered \$1.37 **billion** for the troubled food maker in May but lowered their bid to \$1.34 **billion** after examining Goodman's books. A shareholder vote is due in November.

OptionsXpress market analyst Ben Le Brun said the bidders were likely already aware of the food giant's troubles but could further lower their offer.

"They've done it before so we couldn't rule out the possibility that they're going to do it again, especially if Goodman Fielder keep reporting numbers like this," he said.

Mr Delaney said Goodman was making progress on its strategy to return to profit but its efforts were hampered by a record rise in farmgate **milk** prices in New Zealand and higher wheat prices in Australia.

Goodman Fielder shares closed down 1c at 63c.AAP

CO fdgl : Goodman Fielder Ltd

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