

**HD RPT-UPDATE 2-Wilmar, First Pacific confirm raising bid for Australia's Goodman Fielder**

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(Repeats with no changes)

\* Wilmar, First Pacific increase offer to A\$0.70/shr

**TD**

\* Goodman had rejected initial approach as opportunistic

\* Goodman shares close at A\$0.67, above initial offer price

\* Goodman selling NZ **dairy business** - document

By Rujun Shen and Lincoln Feast

SINGAPORE/SYDNEY, May 15 (Reuters) - Wilmar International and First Pacific Co have sweetened a deal to take over Goodman Fielder Ltd, after the Australian food **firm** rejected the initial bid as too low last month.

Wilmar and First Pacific raised their bid from A\$0.65 to A\$0.70 per share, lifting the size of the deal from A\$1.3 **billion** (\$1.22 **billion**) to A\$1.37 **billion**, a Wilmar statement said, confirming an earlier media report.

"The **Company** (Wilmar) and First Pacific will not increase the price further in the absence of a competing proposal," Wilmar said in the statement, adding that the two companies has given the **board** of Goodman Fielder until 8 p.m. on May 16, Melbourne time, to support the revised bid.

The higher price represents a premium of about 33 percent over Goldman Fielder's closing price of A\$0.525 per share on April 23, the statement said. Goodman Fielder shares closed at A\$0.672 on Thursday.

Last month, Goodman rejected the \$1.2 **billion** takeover bid from Wilmar and First Pacific as too low, fuelling expectations of a higher or rival bid.

Goodman sought a trading halt until May 19 while it considered the potential "change of control transaction".

Australian and New Zealand food assets such as Goodman Fielder have become increasingly attractive to offshore investors, as the countries position themselves to provide for Asia's rapidly growing middle-class.

A deal would bring the maker of Country Life **bread** and Meadow Lea margarine under the wing of a palm **oil** and sugar giant that wants to create a leading Asia-Pacific agriculture and consumer staples **company**, and which could capitalise on Wilmar's strong distribution channels in **China**.

Wilmar already owns a 10.1 percent **stake** in Goodman Fielder, and is the **company**'s third-largest shareholder.

First Pacific had entered into conditional agreements with Goodman Fielder's two largest Shareholders, Perpetual Investment Management Ltd and Ellerston Capital Ltd, to **acquire** 4.8 percent of Goodman Fielder shares, at A\$0.70.

The conditional agreements also entitle First Pacific to **acquire** an additional 5 percent of Goodman Fielder shares at A\$0.70. The conditions include the approval from the Australian Foreign Investment Review **Board**.

Singapore-based Wilmar is the world's largest palm **oil** processor, and First Pacific is headed by Indonesian tycoon Anthoni Salim whose Salim **Group** businesses include Indofood Sukses Makmur Tbk (Indofood), one of the world's largest instant noodle producers.

#### GOODMAN FIELDER SELLING NZ **DAIRY BUSINESS**

Goodman described the initial bid as "opportunistic" and sought to fend off the approach by pressing ahead with earlier plans to sell its New Zealand **dairy business**.

"**Dairy** is a highly valued **business** for (Goodman Fielder) given the unique platform it provides to access the strong demand growth in Asia for high quality, branded **dairy** products," Goodman's bankers Credit Suisse said in an offer document obtained by Reuters.

"While (Goodman Fielder) is willing to continue pursuing this opportunity alone, it considers that exploitation of the opportunity could be accelerated via capital and expertise provided by a partner."

Wilmar said earlier that it would not be interested in pursuing the deal if Goodman Fielder **sold** off its **dairy business**.

Goodman cut its earnings guidance for 2014 by as much as 15 percent, saying that trading conditions had deteriorated and that planned measures to save on manufacturing and supply chain costs had been delayed.

Wilmar and First Pacific have appointed Bank of America Merrill Lynch and UBS as advisers.

(\$1 = 1.0671 Australian Dollars) (Reporting by Rujun Shen; editing by Susan Thomas)

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