

**HD** **FED:Goodman Fielder accepts lower takeover bid**

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GOODMAN SYDNEY, July 2 AAP - Shares in struggling food maker Goodman Fielder have dropped more than four per cent on news it is poised to accept a lower takeover offer from two Asian companies.

The **Hong Kong**-based investment **firm** First Pacific and Singapore agribusiness Wilmar International have agreed to **buy** the breads-and-spreads maker for \$1.34 **billion**, or 67.5 cents a share.

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The offer is 2.5 cents a share lower than their previous offer made in May, which valued Goodman Fielder at \$1.37 **billion**.

But Goodman Fielder shareholders will receive a one cent dividend from the food ingredients maker, whose brands include Helga's, MeadowLea, Vogel's and Olive Grove.

The three companies have signed a scheme implementation deed which will allow the foreign predators to **buy** the remaining shares in Goodman that they do not already own.

The news came as Goodman also warned that it expects to be hit by a \$300-\$400 **million** charge in its accounts for the 2013/14 financial year.

The charge relates to the challenging trading conditions the **company** has been experiencing and the outlook for its baking and grocery businesses.

Shares in Goodman were 2.75 cents lower at 64.25 cents at 1124 AEST.

Goodman Fielder chairman Steve Gregg said the food maker's **board** was unanimous in recommending shareholders accept the takeover offer, describing the bid as attractive.

"I believe it also represents a positive outcome for our employees, our customers and our consumers," he said in a statement on Wednesday.

"It provides an opportunity to further leverage our strong consumer food brands in Australia and New Zealand to grow our **business** across the Asian region."

Goodman will appoint an independent expert to examine the offer, with shareholders expected to vote on the deal in November.

The offer will need support from Goodman shareholders holding at least 75 per cent of the **company's** shares.

It also requires the nod of approval from Australia's Foreign Investment Review **Board** and authorities in New Zealand and **China**.

It is the third time Wilmar, the world's biggest palm oil processor, and the **Hong Kong**-listed First Pacific have made an offer for Goodman in 2014.

The Asian pair, which each own 19.9 per cent stakes in Goodman, originally offered \$1.27 **billion** in April but were rebuffed by the takeover target.

They came back with a sweetened \$1.37 **billion** offer in May, which was accepted by Goodman.

But late on Tuesday, they revealed they had lowered their offer to \$1.34 **billion** after spending recent weeks looking at Goodman's books.

Goodman Fielder has been cost cutting, restructuring and divesting over the past three years, to focus on its core brands, which include Vogel's **bread** and Meadowlea **butter** and margarine, and to reduce debt.

AAP bt/cdh

**CO** fdgl : Goodman Fielder Ltd

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