HD **Goodman Fielderboard backs Asian buyers' A$1.37 bln offer**

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Goodman Fielderboard backs Asian buyers' A$1.37 billion takeover bid

May 19 (BusinessDesk) - The board of Goodman Fielder will unanimously back a A$1.37 billion takeover bid by Singapore-based Wilmar International and Hong Kong-listed investment firm First Pacific Co in the absence of a better offer.

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Wilmar, the world's biggest palm oil processor, and First Pacific will pay 70 Australian cents a share to take over the Australasian food ingredients maker, sweetening an earlier bid of 65 cents a share. On Friday, Goodman's board said it would unanimously recommend the bid in the absence of a superior proposal, and granted due diligence. The dual listed shares were halted on Friday at 66.5 Australian cents on the ASX, and 74 cents on the NZX.

"Since the initial approach from Wilmar and First Pacific, the board has been focused on generating the best outcome which maximised value for our shareholders," Goodman chair Steve Gregg said in a statement to the ASX. "We believe this revised proposal also demonstrates the strength of our underlying business and brands but also the opportunity to leverage these assets to grow the business across the Asian region."

The Asian companies are seeking to buy Goodman through a scheme of arrangement, meaning they only need 75 percent support to take control rather than the 90 percent target for a hostile takeover. They also snared lock-up agreements for a further 4.8 percent in making their increased bid.

Goodman's board knocked back the earlier offer as opportunistic and materially undervaluing the company.

Wilmar bought a 10 percent stake in Goodman in 2012, and registered interest in the food ingredients maker's assets which were up for sale at the time.

In February, Goodman forecast normalised annual earnings to be "broadly in line" with the previous year's A$185.6 million as soaring milk prices and intense competition in baking goods eroded profitability.

The maker of household brands including Vogel's bread, Meadowfresh milk and yoghurt, and Meadowlea butter and margarine has been cost cutting, restructuring and divesting over the past three years, to focus on its core brands and reduce debt.

(BusinessDesk)

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