

SE News
HD **Goodman rejects bid**
BY JANE HARPER
WC 447 words
PD 29 April 2014
SN Gold Coast Bulletin
SC GCBULL
ED GoldCoast
PG 19
LA English
CY © 2014 News Limited. All rights reserved.

LP

SHARES in food **group** Goodman Fielder have soared more than 15 per cent as investors hope a rejected \$1.27 **billion** takeover bid will spark further offers.

The breads and spreads maker, whose brands include Helga's, MeadowLea and Vogel's, yesterday spurned the bid from Singapore-based agribusiness Wilmar International and **Hong Kong** investment **firm** First Pacific **Company**.

TD

Goodman branded the conditional 65¢-a-share bid as "opportunistic" and too low, despite representing an 18 per cent premium on the **group**'s closing price last week of 55¢.

The **company**'s shares reached an intraday high of 65.5¢ before closing at 63.5¢. But suitors First Pacific and Wilmar – which already owns a 10.1 per cent **stake** in Goodman – remained keen to strike a deal, yesterday urging Goodman to open its books for inspection.

"First Pacific and Wilmar will continue to seek engagement with the **board** about entering into due diligence aimed at bringing forward a binding proposal to Goodman Fielder shareholders," the companies said in a joint statement.

"This is a compelling all-cash offer for Goodman Fielder shareholders." The suitors said the bid offered a 27 per cent premium on the average share price since Goodman Fielder issued a profit warning this month.

Goodman Fielder shares tumbled a record 22 per cent on April 2 after chief executive Chris Delaney warned pre-tax earnings for the year to June were likely to be 10 per cent to 15 per cent below analysts' expectations of \$180 **million**.

It came in the wake of a first-half loss of \$64.8 **million** announced in February. Goodman Fielder yesterday said the **group** had considered the takeover bid on the weekend and met representatives from Wilmar and First Pacific.

"The **board** believes the current proposal materially undervalues Goodman Fielder and is opportunistic," the breads maker said.

The **group** said it would continue with its previously flagged strategic plan, which includes cutting 300 jobs.

Analysts said while Goodman Fielder's prospects may not be strong enough to flush out a string of other suitors, Wilmar and First Pacific remained serious contenders.

Wilmar already has a foothold in Australia after buying CSR's sugar **business** – now known as Sucrogen – in 2010.

The **group**, which paid an average 58¢ a share to boost its **stake** in Goodman to 10.1 per cent in 2012, is believed to have made an unsuccessful takeover approach to the breads maker the same year. Citi retail analyst Gino Rossi said a takeover also had strategic appeal for First Pacific, which could potentially realise cost savings by aligning Goodman with its existing Indonesian food and **dairy** interests, IndoFood.

CO fdgl : Goodman Fielder Ltd

IN i41 : Food/Beverages/Tobacco | icnp : Consumer Goods

NS c181 : Acquisitions/Mergers/Takeovers | cacqu : Acquisitions | c18 : Ownership Changes | cactio : Corporate Actions | ccat : Corporate/Industrial News | ncat : Content Types | nfact : Factiva Filters | nfcpin : FC&E Industry News Filter

RE austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania

PUB News Ltd.

AN Document GCBULL0020140428ea4t00059