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MEADOWLEA margarine and Mighty Soft **bread** are the latest Australian household brands set to fall into foreign hands.

The troubled owner of the breads and spreads brands, Goodman Fielder, has accepted a \$1.34 **billion** takeover offer from **Hong Kong**-based investment **group** First Pacific and Singapore agribusiness Wilmar International.

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The Asian pair have been trying to **buy** the Australian food maker for several months.

Their original offer of \$1.27 **billion** in April was rebuffed, so they sweetened it to \$1.37 **billion** in May.

However, having examined Goodman Fielder's books in recent weeks, the pair have decided to lower the bid by 2.5¢ a share.

The **board** of Goodman Fielder, whose brands also include Praise, White Wings, Helga's and Wonder White, is recommending shareholders accept the offer.

Goodman Fielder's shares fell 2.5¢, or 3.7 per cent, to 65.5¢ yesterday. Morningstar equities analyst Peter Rae said it was a reasonable offer given there were no other suitors.

"Goodman Fielder is in a tough **business** with the major supermarkets, Coles and Woolworths, holding such strong bargaining power, which makes it difficult for them to pass on price increases," he said.

Goodman Fielder chairman Steve Gregg said the latest takeover offer represented a positive outcome.

"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," he said.

The offer will need support from 75 per cent of Goodman shareholders and approval from Australia's Foreign Investment Review **Board** and authorities in New Zealand and **China**.

AUSSIE BRANDS GOBBLED UP *Peters Ice Cream now owned by Europe's R & R *Foster's: Britain's SAB Miller *Uncle Tobys: Swiss giant Nestle *Nobby's Nuts and Smith's Chips: US-based PepsiCo *Arnotts biscuits: America's Campbell Soup *Aeroplane Jelly: America's McCormick & **Company** *Vegemite: US-based Kraft Foods

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