

SE Article
HD **Goodman Fielder** **board** agrees to slimmed down offer

BY BusinessDesk

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Goodman Fielder **board** agrees to slimmed down offer from Wilmar, First Pacific

By Jonathan Underhill

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July 2 (BusinessDesk) - Goodman Fielder's directors have given support to a reduced takeover proposal from Singapore-based Wilmar International and **Hong Kong**-listed investment **firm** First Pacific Co, who lowered their price by about 3.6 percent after scrutinising the food maker's accounts.

Wilmar and First Pacific are now offering 67.5 Australian cents a share via a scheme of arrangement for 100 percent of Goodman Fielder, down from the 70 cent level Goodman's **board** unanimously supported in May. At the same time, Goodman quantified an impairment charge of A\$300 **million** to A\$400 **million** for the year ended June 30, largely against its Australian and New Zealand baking **business**. The **company** said it would remain within its lending covenants after the charge.

The scheme "provides an opportunity to further leverage our strong consumer food brands in Australia and New Zealand to grow our **business** across the Asian region," chairman Steve Gregg said in a statement.

A scheme of arrangement means Wilmar, the world's largest palm **oil** processor, and First Pacific need approval from the majority of shareholders who vote at a special meeting likely to be held in November, and at least 75 percent of total shares voted. That's a lower threshold than an outright takeover, where a bidder would need to get to 90 percent acceptance before they could compulsorily **acquire** the rest of the stock.

Goodman must now appoint an independent adviser to assess whether the scheme is fair, and that report will be included in a scheme booklet to be released in September, it said.

Under the scheme, Goodman will pay a final dividend of 1 Australian cent a share for 2014. Goodman shares last traded at 68 Australian cents on the ASX before being halted for today's announcement. The trading halt has since been lifted.

The shares soared on April 28, when the Asian entities initially offered 65 Australian cents, having tumbled by as much at the start of the month when Goodman cut its guidance. Goodman's **board** knocked back that 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.

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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