HD **Takeover move for Goodman Fielder not over**

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BREADS and spreads maker Goodman Fielder has rejected a $1.27 **billion** takeover, but the two Asian companies behind the bid want to pursue talks.

MELBOURNE, April 28 AAP - Two Asian companies seeking control of food producer Goodman Fielder will pursue their bid for the **company** despite its rejection of their $1.27 **billion** takeover offer.

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Goodman Fielder, whose brands include Alga's, McDowell, Foetal's, Meadow Fresh and Olive Grove, said the offer from Singapore-based agribusiness Lamer International and **Hong Kong** investment **firm** First Pacific **Company** was too low.

The offer of 65 cents for each share, which was made over the weekend, was opportunistic and materially undervalued the **company**, Goodman Fielder said.

Goodman Fielder shares jumped to close 8.5 cents, or 15.45 per cent higher at 63.5 cents in the wake of the takeover proposal.

First Pacific and Lamer, which already holds a 10.1 per cent **stake** in Goodman Fielder, have urged the Goodman Fielder board to allow them to inspect the **company**'s financial records.

"First Pacific and Lamer ... 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 two companies said in a joint statement on Monday.

Lamer already owns Australian assets, after buying CSR's sugar business, now known as Escorting, in 2010.

In February 2012, Lamer increased its **stake** in Goodman Fielder from under five per cent to more than 10 per cent, sparking speculation that Lamer was about to make a takeover bid for Goodman Fielder.

Morningstar analyst Peter Rae said Lamer may be looking to expand its activities in the region to include food manufacturing.

"It's a bit difficult to see how it (Goodman Fielder) fits, because they (Lamer) are predominantly into (edible) **oil** and sugar refining," Mr Rae said.

"Possibly they're looking to use their ownership of **oil** assets to flow through to some of Goodman Fielder's manufacturing activities."

Mr Rae said the offer price for Goodman Fielder seemed reasonable, and Lamer was unlikely to offer much more.

He said Goodman Fielder was in a difficult business because the supermarkets were always squeezing the **company** on the price of its products, input costs were volatile and margins were constantly under pressure.

Lamer and First Pacific said their takeover offer was compelling.

The offer comes at a premium of 27 per cent to the average price of Goodman Fielder shares since the food maker's profit downgrade on April 2, the suitors said.

Goodman Fielder said at the time that it expected annual normalised earnings to be down by 10 to 15 per cent on the market's forecast of $180 **million**.

It also announced it was bringing forward its plans for 300 job cuts aimed at reducing costs.

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