



HD **FED:Food maker accepts \$1.37b in takeover bid**

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GOODMAN By Kim Christian and Greg Roberts

MELBOURNE, May 16 AAP - One of Australia's largest food companies Goodman Fielder has accepted a sweetened \$1.37 **billion** dollar takeover offer from two Asian firms.

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Sydney-based Goodman Fielder, which makes and sells **bread**, biscuits, sauces, spreads and oils, had been given a deadline of 2000 AEST on Friday to support the bid and open its books to due diligence.

The **company's board** met on Friday to consider the new bid from Singapore-listed Wilmar, the world's biggest palm **oil** processor, and **Hong Kong** investment **firm** First Pacific.

Goodman Fielder released an after-market statement saying that in the absence of a superior proposal, the **board** will unanimously recommend that Goodman shareholders vote in favour of the revised offer.

Goodman Fielder's major shareholders Perpetual and Ellerston Capital had increased pressure on the **board**, agreeing to sell nearly half of their stakes to the Singapore-**Hong Kong** consortium subject to the bid being approved.

That would give Wilmar and First Pacific a 19.9 per cent **stake**.

The **company**, which owns iconic brands such as Helga's, MeadowLea, Vogel's and Olive Grove, rejected an initial \$1.27 **billion** takeover offer as too low.

The offer has now been raised from 65 cents a share to 70 cents plus a one cent dividend.

That is a 33 per cent premium to the 52.5 cents it traded at before the first offer on April 23.

The companies said they would go no higher.

Morningstar analyst Peter Rae said he thought it was a good offer that was above his fair value estimate of 50 cents a share.

"I tend to think if the shareholders are behind it they have to support it," he told AAP.

Shares in the **company** plunged more than 18 per cent in a day on April 2, following a profit downgrade and flagging of writedowns and job cuts and it posted a half year net loss of \$65 **million** in February.

The attraction for the suitors is to expose the **company** to high growth Asian markets.

Shares in Goodman Fielder fell 1.1 per cent to 66.5 cents on Friday.

AAP gr/gfr

CO fdgl : Goodman Fielder Ltd

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