

Herald Sun

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HD **Dough on the rise**
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FOOD

GOODMAN Fielder shares have soared as investors anticipate another takeover bid after the food maker spurned suitors wielding a \$1.3 **billion** cheque.

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The breads and spreads maker, whose brands include Helga's, Meadow Lea and Vogel's, yesterday revealed it had rejected the bid from two foreign companies.

Singapore agribusiness Wilmar International and **Hong Kong** investment **firm** First Pacific **Company** approached Goodman over the weekend with an offer of 65c a share.

Goodman branded the conditional bid as "opportunistic" and too low, despite the fact it was an 18 per cent premium to the **group**'s closing price last week of 55c.

The **company**'s shares reached an intraday high of 65.5c before closing at 63.5c, up 15.5 per cent for the day.

First Pacific and Wilmar — which already owns a 10.1 per cent **stake** in Goodman — said they remained keen to strike a deal, urging Goodman to open its books for inspection.

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

Goodman shares tumbled a record 22 per cent on April 2 after chief executive Chris Delaney warned that pre-tax earnings for the year to June were likely to be 10-15 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 yesterday said directors had considered the takeover proposal over 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 strategic plan, which includes 300 job cuts.

Analysts said Goodman's prospects might not be strong enough to flush out other would-be buyers, but Wilmar and First Pacific remained contenders. Wilmar has a foothold in Australia after buying CSR's sugar **business** — now known as Sucrogen — in 2010.

The **group**, which paid an average 58c 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 cut costs by aligning Goodman with its Indonesian food and **dairy business**, IndoFood.

"We think the current bid price is reasonable, but that is without taking into consideration the upside from closer alignment with IndoFood," Mr Rossi said.jane.harper@news.com.au

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