

HD **UPDATE 1-Australia's Goodman agrees to revised \$1.3 bln takeover bid**

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* **Board** to recommend A\$0.70/shr bid in absence of higher offer

* Wilmar, First Pacific raised offer from A\$0.65/shr

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* Asian demand sparks interest in Australian food groups

* Rival bid could yet emerge - analyst (Adds **company**, analyst comments, context)

SYDNEY, May 16 (Reuters) - Australian **bread** and **dairy company** Goodman Fielder Ltd said it will recommend shareholders accept a sweetened A\$1.37 **billion** (\$1.28 **billion**) takeover offer from Wilmar International Ltd and First Pacific Co.

If accepted, the maker of Country Life **bread** and Meadow Lea margarine would be brought under the wing of Singapore-based Wilmar, a sugar refiner and the world's largest palm **oil** producer, and **Hong Kong** investor First Pacific, whose principal investments include Indonesia's PT Indofood Sukses Makmur Tbk .

Goodman and other Australian and New Zealand food assets have become attractive to offshore investors thanks to booming Asian demand for their foods which meet higher standards of quality. Analysts said Goodman could yet draw out a rival bidder.

"The only **company** that would come in at a possible higher bid is Bright **Group** out of **China**," said IG market strategist Evan Lucas, referring to Bright Food **Group** Co Ltd.

"It's possible - they're certainly looking around the place for similar things."

In a statement on Friday, Goodman Chairman Steve Gregg said the **company's board** will unanimously recommend the offer in the absence of a better one.

"This revised proposal ... demonstrates the strength of our underlying **business** and brands but also the opportunity to leverage these assets to grow the **business** across the Asian region."

Goodman has struggled to build on the boom in Asian demand for Australasian produce. The **company** lowered its 2014 earnings guidance by 15 percent because trading conditions had deteriorated and cost-saving measures had been delayed.

Late on Thursday, Wilmar - which already owns 10 percent of Goodman - and First Pacific raised their offer from a A\$1.27 **billion** bid rebuffed last month.

Wilmar and First Pacific gave Goodman's **board** 24 hours to agree to recommend the bid to shareholders, to whom the pair also offered a dividend of A\$0.01 per share.

Shares of Goodman closed 1 percent lower at A\$0.665 before the **company's** statement on Friday. In the revised bid, Wilmar and First Pacific said they will pay A\$0.70 per Goodman share, rather than the A\$0.65 initially offered.

Goodman turned down the first offer as "opportunistic" and sought to fend off the approach by pressing ahead with plans to sell its New Zealand **dairy business**.

Wilmar and First Pacific previously said they would not pursue the **acquisition** if Goodman **sold** the **dairy business**.

(\$1 = 1.0696 Australian Dollars) (Reporting by Byron Kaye, Thuy Ong and Lincoln Feast; Editing by Christopher Cushing)

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CO ezyhsi : Wilmar International Limited | fdgl : Goodman Fielder Ltd | indofd : PT Indofood Sukses Makmur Tbk | fpco : First Pacific Company Limited | liem : Salim Group | wilho : Wilmar Holdings Pte Ltd

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