

**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.

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

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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 had jumped 10 cents, or 18.2 per cent, to 65 cents by 1435 AEST on Monday, in the wake of the takeover proposal.

First Pacific and Wilmar, 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 Wilmar ... 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.

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

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

Morningstar analyst Peter Rae said Wilmar 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 (Wilmar) 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 Wilmar 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.

Wilmar 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.

**CO** fdgl : Goodman Fielder Ltd

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