

# The Sydney Morning Herald

SE **Business**  
HD **Goodman suitors threaten to walk**  
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Takeovers

Singapore agribusiness **group** Wilmar International could walk away from its \$1.4 **billion** joint bid for breads and spreads maker Goodman Fielder unless the **board** agrees to recommend a "watered-down" offer.

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Goodman Fielder's **board** was due to meet on Tuesday night to reconsider a revised bid from Wilmar and **Hong Kong** investment **company** First Pacific, which are seeking to reduce their 70¢-a-share bid to about 67¢ or 68¢ a share.

The joint bidders, which completed four weeks of due diligence over the weekend, want to reduce the value of the offer by between \$40 **million** and \$60 **million**, claiming the maker of Helgas **bread**, Meadow Lea spread and Praise mayonnaise has underinvested in plant and equipment and direct marketing expenditure over many years.

Fairfax Media believes the discounted offer may also reflect differences in opinion between Wilmar and First Pacific about Goodman Fielder's worth.

Market sources said First Pacific was more enthusiastic than Wilmar, which might "walk away" unless the **board** agreed to recommend the revised offer.

First Pacific planned to make an offer for Goodman under its own steam before joining forces in April with Wilmar, which has been sitting on a 10.1 per cent **stake** for two years.

Goodman's **board** is now paying the price for failing to sign a scheme implementation agreement before recommending the 70¢-a-share offer and allowing Wilmar and First Pacific to conduct due diligence.

If the **board** agrees to the revised offer and an implementation agreement is signed, it is expected to include onerous "material circumstances" conditions that would allow the bidders to pull out if profits fell short of forecasts.

CO fdgl : Goodman Fielder Ltd  
IN i41 : Food/Beverages/Tobacco | icnp : Consumer Goods  
RE austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania  
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