

THE AUSTRALIAN

SE Business

HD Goodman investors question takeover

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LP Shareholders in Australia's leading listed food **company**, Goodman Fielder, have questioned the **board's** backing of a \$1.3 **billion** takeover by Singaporean oils **group** Wilmar International and **Hong Kong** investor First Pacific, just as the region is opening up to local produce thanks to the landmark free trade agreement with Asian economic giant **China**.

Facing criticism from retail investors who turned up to what could be 100-year-old Goodman Fielder's final shareholders' meeting as a public **company**, chief executive Chris Delaney warned that the future wasn't bright even if the **company** decided to remain independent as market conditions were tough.

TD Chairman Steven Gregg said 2014-15 was consistent with last year's conditions, characterised by weak consumer sentiment and heightened competition that put pressure on pricing and volume in some of the **company's** key categories.

He was backed by Goodman Fielder director Ian Johnston, the former boss of brewer Foster's, who in his re-election pitch to shareholders said the competitive landscape was difficult because of the relationship with the major supermarkets, through which the **group sold** its produce.

The baking and grocery markets in Australia and New Zealand, where Goodman Fielder has a huge portfolio of branded products, were being challenged by the onslaught of private label competition. The **company's** popular **bread** range, including Helga's and Mighty Soft, had been hit by recent offers of 85c **bread** from the supermarkets.

Retail shareholders still voiced their concern, however, lamenting the loss of a historic Australian **company** into overseas hands, at a time when demand from Asia for baking and **dairy** foods was a huge opportunity for Goodman Fielder.

In the wings are Wilmar and First Pacific, which are now awaiting regulatory approval from New Zealand and **China's** Ministry of Commerce to push ahead with their offer of 67.5c a share, a takeover that values the **group** at \$1.3bn.

As shareholders prepare to receive an independent experts' report, regulatory approval from **China** has been delayed for several months, raising concerns the nation could block the deal altogether.

Wilmar and First Pacific require approval from **China's** Ministry of Commerce because both companies operate sizeable businesses in **China**. The takeover, conducted via a scheme of arrangement and supported by the Goodman Fielder **board** nearly six months ago, has been approved by the Foreign Investment Review **Board**, the Australian Competition and Consumer Commission and NZ's Commerce Commission.

CO fdgl : Goodman Fielder Ltd

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