THE LAND

SE AGRIBUSINESS

HD **Goodman buttered up**

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CENTURY-old Australian food **business**Goodman Fielder is set to be **sold** to Singaporean oils giant Wilmar International and **Hong Kong** investment **company** First Pacific for about $1.37 **billion**.

Goodman Fielder's stable features some of the nation's best known household brands including White Wings flour, Mighty Soft, Wonder White, Helgas and Molenberg breads, Pampas pastry, Paradise biscuits, Praise, Eta, Cornwells and Paul Newman's Own dressings and sauces, and Crisco, Meadow Lea, and Olive Grove vegetable oils and spreads.

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It is also New Zealand's largest consumer food supplier with sales of about $NZ1 **billion** and a portfolio of **dairy** and baked products including Nature's Fresh, Meadow Fresh and Edmonds.

Goodman Fielder's **board** late last week bowed to a 70 cents a share takeover offer from the Asian partnership after two major investors Ellerston Capital and Perpetual Investments decided they would sell their combined 25.3 per cent **stake**.

The total deal, including debt, will cost Wilmar and First Pacific about $1.9b.

It also allows Goodman Fielder shareholders to receive a one cent dividend per share for the year to June 30, and assumes no superior alternative takeover proposal emerges.

Although only 20 years old, Wilmar is Asia's biggest agribusiness **company** with interests ranging from palm **oil** cultivation and oilseed crushing, to biodiesel, grain and sugar processing and marketing.

US commodities giant Archer Daniels Midland is a 16pc shareholder.

Wilmar has more than 450 manufacturing plants, including Sucrogen (formerly CSR) and Proserpine sugar refineries in Queensland, and distributes products in 50 countries.

Its partner in the takeover deal, First Pacific, is an investment management and holding **company** with **operations** spanning telecommunications, consumer foods and infrastructure.

Goodman Fielder, which has a history dating back to the Geo Fielder flour mill built in Tamworth in northern NSW in 1909, insists the takeover will only go through if an independent expert concludes it is in the best interests of its shareholders.

The **sale** is also subject to regulatory approval in Australia and NZ.

While the original offer was viewed by Goodman Fielder as "optimistic" and materially undervaluing the **company**'s diverse assets, chairman Steve Gregg said the revised proposal did maximise value for shareholders.

Wilmar and First Pacific apparently told the **board** they would withdraw if their conditions were not accepted.

"In the absence of a superior proposal and subject to various other conditions we believe this revised proposal is consistent with our objective," Mr Gregg said.

"We believe it also 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 shares were trading at 67.5c prior to a trading halt being called before the sale offer was accepted, but were worth $2 when the company was floated for $2.1b in 2005.

The business reported a profit downgrade last month and flagged further asset write-downs.

Goodman Fielder grew to become one of the biggest names on the Aus- tralian and NZ food and agribusiness scene in the second half of the past century, with interests spanning stock feed, poultry and piggeries, bakery brands, pasta, dairy foods, and oilseed processing, and also in China, Europe and New Caledonia.

The original Tamworth business went public in the 1950s, merging with Gillespie Brothers, Davis Industries, Allied Mills and New Zealand's Goodman Group and Watties Foods in the 1970s and 1980s.

After a succession of acquisitions and some divestments in the 1990s it was bought by trading business Burns Philp in 2003 and re-listed on the ASX and the New Zealand Exchange.

Additional purchases in Australia and NZ were punctuated by the sell-off of a piggery and ice cream activities in NZ and its edible oils and fats business in NZ, China and Australia, sold to GrainCorp in 2012.

Earnings have struggled to match the company's diverse asset base, and as a result has been put through several restructures and divestments.

CO fdgl : Goodman Fielder Ltd

IN i41 : Food/Beverages/Tobacco | icnp : Consumer Goods

RE austr : Australia | nz : New Zealand | nswals : New South Wales | apacz : Asia Pacific | ausnz : Australia/Oceania

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