

ASX/NZX ANNOUNCEMENT

16 May 2014

GOODMAN FIELDER RECEIVES REVISED NON-BINDING, CONDITIONAL PROPOSAL

Further to its announcement made on 15 May 2014, Goodman Fielder Limited ("Goodman Fielder") advises that it has received a revised non-binding, conditional proposal to acquire all the issued equity in Goodman Fielder by way of a scheme of arrangement from Wilmar International Limited and First Pacific Company Limited.

The offer is at a proposed price of A\$0.70 per share and in addition also allows for Goodman Fielder to pay a final dividend of A\$0.01 per share for the year ending 30 June 2014.

The Board of Goodman Fielder will consider its response to this revised proposal and will advise the market accordingly.

A copy of the proposal from Wilmar International Limited and First Pacific Company Limited is attached.

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For further information contact:

Martin Cole
Director, Corporate Affairs
+61 2 8899 7272

Goodman Fielder is Australasia's leading listed food company. The company has an excellent portfolio of well known consumer brands in some of Australia's largest grocery categories, including MeadowLea, Praise, White Wings, Pampas, Mighty Soft, Helga's, Wonder White, Vogel's (under licence), Meadow Fresh and Irvines. Our products cover every meal, including breakfast, lunch, dinner and snacks. We produce bread, milk, margarine, flour, dressings, condiments, mayonnaise, cake mix, pies, savouries, desserts, sauces, vinegar and cooking oils.



First Pacific Company Limited
24/F, Two Exchange Square
8 Connaught Place, Central
Hong Kong



Wilmar International Ltd
Neil Road
Singapore

15 May 2014

Mr Steven Gregg
Chairman
Goodman Fielder Limited

STRICTLY PRIVATE AND CONFIDENTIAL

Dear Steven,

First Pacific Company Limited ("**First Pacific**") and Wilmar International Ltd ("**Wilmar**") are pleased to submit a revised confidential, non-binding indicative proposal ("**Revised Proposal**") for the acquisition of 100% of the issued share capital of Goodman Fielder (the "**Company**") by way of a Scheme of Arrangement (the "**Proposed Transaction**"). The acquisition would be made by a special purpose entity jointly owned by First Pacific and Wilmar.

The Revised Proposal will see First Pacific and Wilmar increase the price from \$0.65 to \$0.70 per share subject to the conditions set out in section 5 below.

First Pacific and Wilmar will not increase the price further in the absence of a competing proposal.

This Revised Proposal is subject to the Board of Goodman Fielder supporting the proposal by no later than 8.00pm (Melbourne time) on Friday 16 May 2014 by:

- agreeing to provide First Pacific and Wilmar with access to due diligence on the basis set out in section 3 below; and
- announcing that it will unanimously recommend that shareholders vote in favour of the Proposed Transaction at a price of \$0.70 per share, subject to: (i) the parties entering into a Scheme Implementation Agreement containing terms (other than price) acceptable to all parties; (ii) an independent expert concluding that the Revised Proposal is in the best interests of Goodman Fielder shareholders; and (iii) no superior proposal emerging.

First Pacific and Wilmar believe that the Revised Proposal is very attractive for Goodman Fielder shareholders. Perpetual and Ellerston Capital ("**the Shareholders**") have entered into conditional share sale agreements with First Pacific which result in First Pacific and Wilmar now having voting power in 19.9% of Goodman Fielder. A copy of those share sale agreements are enclosed for your information.

1. Revised Proposal

First Pacific and Wilmar believe the Revised Proposal presents a very compelling proposition for Goodman Fielder shareholders. It represents a material increase from the initial proposal and represents a significant premium to recent trading levels:

- 37% premium to Goodman Fielder's volume weighted average share price between the Company's latest market update on 2 April 2014 and 23 April 2014 of \$0.511; and

- 33% premium to Goodman Fielder's closing price on 23 April 2014 of \$0.525.

As previously noted we have excluded trading on 24 April 2014 given the abnormal volume and price movement immediately prior to our meeting on 26 April 2014.

The Revised Proposal is based on the Company's current fully diluted share capital, financial position¹, and operating performance as disclosed in publicly available information.

2. Shareholder Support

First Pacific has entered into agreements ("**Share Sale Agreements**") with Goodman Fielder's largest shareholders Perpetual and Ellerston Capital who together hold approximately 24% of shares on issue.

The Share Sale Agreements entitle First Pacific to acquire 4.8% of Goodman Fielder's shares on issue at \$0.70 per share, thereby increasing First Pacific's and Wilmar's voting power to 14.9%, subject to Board of Directors confirming by 8.00pm (Melbourne time) on Friday 16 May 2014 that:

- First Pacific and Wilmar will be granted access to due diligence on the basis set out in section 3 below; and
- the Company's Board of Directors will unanimously recommend that shareholders vote in favour of the Proposed Transaction at a price of \$0.70 per share, subject to: (i) the parties entering into a Scheme Implementation Agreement containing terms (other than price) acceptable to all parties; (ii) an independent expert concluding that the Revised Proposal is in the best interests of Goodman Fielder shareholders; and (iii) no superior proposal emerging.

The Share Sale Agreements also entitle First Pacific to acquire an additional 5.0% of Goodman Fielder shares on issue at \$0.70 per share, increasing First Pacific's and Wilmar's voting power to 19.9%, also subject to the conditions set out above as well as approval from the Australian Foreign Investment Review Board ("**FIRB**").

3. Due Diligence

As stated in our Initial Proposal, in order to progress to a binding offer, we will require reasonable access to management and Company information on a strictly confidential basis to conduct a short and focused due diligence exercise on Goodman Fielder. We will dedicate the resources necessary to ensure diligence is completed in a targeted and efficient manner. To this end, we have engaged financial, legal, accounting and tax advisers that can be called to action immediately should due diligence be granted. We can commit to an expedient completion of our due diligence activities in a short period of approximately 4 weeks, subject only to the Company providing the information and access required in a timely and appropriate manner. To expedite this, we have attached a Confidentiality Agreement.

4. Financing

First Pacific and Wilmar confirm that they have adequate financial capacity to fund an acquisition of this size and, at this stage, it is envisaged that First Pacific and Wilmar would fund the acquisition from existing cash resources and available capacity under new and existing finance facilities.

The Scheme Implementation Agreement will not contain a financing condition.

¹ As set out in the Company's half year financial statements for the period ending 31 December 2013, lodged with ASX on 12 February 2014.

5. Conditions

Our Revised Proposal is subject to the following conditions.

- Completion of satisfactory due diligence. We would expect this would take no longer than 4 weeks from the information being made available by the Company.
- Execution of a Scheme Implementation Agreement at a price of \$0.70 per share and otherwise on terms acceptable to the Boards of Directors of Goodman Fielder, First Pacific and Wilmar, but containing the following provisions:
 - Unanimous and continuing recommendation of the Company's Board of Directors (in the absence of a superior proposal);
 - All necessary regulatory and/or shareholder approvals/support including:
 - Australian FIRB;
 - New Zealand OIO;
 - any other required regulatory approvals;
 - approval of Goodman Fielder shareholders required for the scheme;
 - No "prescribed occurrences" or material adverse events having occurred from now until completion;
 - No dividends (other than a final dividend for FY14 of \$0.01 per share) or capital returns being paid or made by the Company from now until completion;
 - No material asset sales or acquisitions or joint ventures made or agreed to by Goodman Fielder from now until completion; and
 - Customary exclusivity provisions and a break fee of 1% of equity value.

6. Conclusion

We believe that the Revised Proposal presents an extremely attractive and compelling proposition to Goodman Fielder shareholders, as demonstrated by the Shareholders' support. We look forward to working with Goodman Fielder in a constructive and expeditious manner to progress the Revised Proposal as soon as possible.

We look forward to your response.

Sincerely yours,

FIRST PACIFIC COMPANY LIMITED

By: 

ROBIN NICHOLSON
EXECUTIVE DIRECTOR
FIRST PACIFIC COMPANY LIMITED

WILMAR INTERNATIONAL LTD

By: 

KUOK KHOON HONG
CHAIRMAN & CEO
WILMAR INTERNATIONAL LTD