



Germans in \$137m T&G deal

[NICK KRAUSE](#) Last updated 05:00 11/11/2011

Turners & Growers, the NZX-listed fruit and vegetable marketer, had been courted by several parties before yesterday's \$137 million offer was signed.

Munich-based giant BayWa, a trading and services giant, has announced it intends making a full takeover offer for 100 per cent of T&G, which values the company at \$216.5m.

BayWa has reached agreement to take the 63.46 per cent stake held by Sir Ron Brierley's Guinness Peat Group. It is offering to buy out the remaining shareholders at the same price of \$1.85 a share but the offer is not conditional on other shareholders accepting.

A GPG spokesman told BusinessDay that BayWa was open to not necessarily owning 100 per cent of the company. But one of the key conditions of its offer – BayWa's desire to have majority control – would be satisfied by GPG's shareholding alone.

GPG said others expressed interested in its T&G stake after it conducted a strategic review of the company, the outcome of which was announced in February.

"It became clear there was enough interest in the business to run a traditional sales process albeit confidentially because you don't know where these things are going to lead," said the company spokesman, who did not want to be named.

"BayWa was an interested party. There were other parties interested in the company during the process during the last six months. Their approach and presentation of offer led us, as the major shareholder, to assess that it [BayWa's price] was a reasonable deal for GPG shareholders."

Chris Swasbrook, managing director of Elevator Capital Management which is one of the minority shareholders, said his company intended accepting the offer.

Its Capital Value Fund has a 0.63 per cent position in T&G built up since January 2009 at an average cost of \$1.35 a share.

"We'll just accept and move on. Sometimes it's just better to move on in these situations and that's our plan."

It was unlikely the offer would be increased, he said, or that a competing proposal would emerge.

The offer is conditional on approval from the Overseas Investment Office and the German Federal Cartel Office. It is understood BayWa executives intend to meet T&G before the formal offer is sent out, which has to happen within the next 30 days.

GPG first bought into T&G in 1994.

In June it announced at its annual meeting in Auckland that it would begin an orderly sell-down of its assets and return the money to shareholders.

GPG said it had an investment portfolio worth \$1.28 billion as of September 2010, not including thread maker Coats, an unlisted British-based company 100 per cent owned by GPG.

In June, it said T&G was one of its largest investments and was "a great deal more valuable than is currently recognised in the share price, and it is by no means alone in that respect amongst our holdings".

The other holdings include a 35 per cent stake in insurer Tower, three investments in Australia and a large brewery asset in Britain.

BayWa Deal

Munich-based BayWa agreed to buy GPG's 63.46 per cent stake in T&G for \$1.85 a share.

The offer price represents a 9 per cent premium to the closing share price of \$1.70 on November 9.

There is no minimum acceptance condition.

BayWa is an international trading and services company operating in the core fields of agriculture, building materials and energy.

In its fruit business unit, the group is the largest supplier of pipfruit from organic production.

In the 2010 financial year BayWa, listed on the Frankfurt Stock Exchange, had total revenues of euro 8 billion and euro 228m ebitda.

Turners & Growers T&G, New Zealand's leading distributor, marketer and exporter of premium fresh produce, was founded in 1897.

It has about 1400 staff and is listed on the NZX. Sales of \$599m in 2010.

Its core business is in the export and domestic sale of apples, kiwifruit, tomatoes and other produce.

It owns FloraMax, New Zealand's largest specialist flower auction company within Auckland, Wellington and Christchurch.

It is unique to Turners & Growers in that it is the only division that auctions product.

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