



Brumby's boss given nod to take over bakeries

Brumby's Bakeries recommended an offer by its management team to take over the breadmaker after its \$28.5 million bid became unconditional.

The bid by BBS Pty Ltd, which includes Brumby's chief executive Michael Sherlock who holds around 21 per cent of the breadmaker, followed an initial offer by the Retail

Food Group (RFG). RFG said late yesterday that it would consider its position over the next seven days but said it would seek a break fee of \$360,000 from Brumby's if it pulled out of the bidding for Brumby's.

The BBS offer to the 300 shareholders of the Bendigo Stock Exchange-listed Brumby's is for \$2.80 a share for the remaining 79 per

cent of the company and a fully franked dividend of 10.88c.

On December 18, Brumby's entered into a merger implementation agreement with RFG that offered \$2.68 a share along with the dividend.

Mr Sherlock said the decision by the Brumby's board was in the best interests of shareholders

and franchisees.

"The BBS offer ensures that the successful management team that has guided Brumby's outstanding performance in recent years will remain in place," he said.

Shares in RFG, the company behind Donut King and bb's cafe, closed steady at \$1.65.



DEALING IN DOUGH . . . Brumby's businessman and managing director Michael Sherlock