**Saputo takes slice in cheese takeover**

**By PETER TRUTE**

SYDNEY: Warrnambool Cheese & Butter managing director David Lord is maintaining pressure on takeover bidder Murray Goulburn to end its fight and accept the offer from Saputo.

The four-month-long battle for control of Warrnambool took a decisive turn yesterday when Bega Cheese opted to sell its 18.8 per cent stake in the southern Victorian dairy processor to Canadian firm Saputo.

Bega's decision takes Saputo's stake in WCB above 45 per cent and close to the 50 per cent mark at which Murray Goulburn can not proceed with its rival offer.

Mr Lord said he had been confident shareholders would come to share the favourable view of Saputo's bid, worth between $9 and $9.60 a share, taken by the WCB board, which has supported the Canadian's offer from the outset.

He pushed for all shareholders, including Murray Goulburn with its 17.7 per cent stake, to sell to Saputo.

"Obviously we welcome Bega's decision to accept the Saputo offer and we're pleased that Bega has reached the same conclusion as the WCB board and that is that the Saputo offer is superior," Mr Lord said.

"We would be very disappointed if all WCB shareholders didn't take advantage of what is a significant price premium compared to our share price when this process started." Warrnambool shares have risen from $4.51 when bidding began in September, 2013, to $8.40 yesterday.

Mr Lord said Bega's decision made the possibility of Saputo gaining a majority holding much more likely.

"From that perspective it's important now that shareholders really consider their positions carefully," he said.

Saputo is offering $9 a Warrnambool share but will increase its offer to $9.20 if it secures more than 50 per cent of the stock. The offer rises again to $8.40 if Saputo secures more than 75 per cent of shares and to $8.60 if the Canadian firm gains control of 90 per cent or more.

"There is the potential for all shareholders to enjoy incremental increases in the offer price," Mr Lord said.

Mr Lord said the Warrnambool board was always confident it had recommended the superior offer.

"We were uncertain of any thing until today and we really welcome the decision that Bega have made," he said. "I think we are certainly getting a lot closer to a point where there will be some certainty around the future ownership of the business."

Murray Goulburn said it was assessing the ramifications of Bega's decision.

---

**Pumping iron ore has Rio muscular**

MELBOURNE: The baley days of three years ago are over but Rio Tinto looks well placed to deliver a healthy full-year profit next month after producing a record iron ore shipment in 2013.

The mining giant eked out more production from its global mines while slashing operating cash costs in 2013 by more than the $US2 billion ($A2.25 billion) it had targeted, raising hopes of strong full-year profit next month after it reported a fall in annual sales revenue.

Investors pushed Woodside shares more than 2 per cent higher yesterday as the company re- ported a fall in annual sales revenue as it flagged up to $400 million in writedowns on its W.A. oil and gas fields.

But the impairment would be offset by a benefit of up to $250 million on the petroleum resource rent tax, through deductions carried forward.

Woodside reported sales revenue for full-year 2013 was $5.8 billion, down 7.2 per cent on the previous year due to lower average realised prices. The company achieved record oil and gas production and maintained its 2014 full-year production guidance in the target range of 86 to 90 million barrels of oil equivalent.

---

**Cashed-up Woodside likely to share wealth among the faithful**

EQUITIES PAY OFF

SYDNEY: Listed investment company Djerriwarrh has achieved a 17 per cent gain in half-year profit to $19 million, boosted by strong gains in income from its options writing activities in a volatile market.

The Australian equities-focused Djerriwarrh posted an operating result of $22.8 million for the six months to December 31 last year.

SINGAPORE ANOHY

WELLINGTON: Air New Zealand is targeting a return to Singapore with a planned code-share with Singapore Airlines.

The two airlines plan to boost their capacity between New Zealand and Singapore by 30 per cent with the tie-up, which would introduce an Auckland-Singapore route for the first time, Air NZ said yesterday.

---

**YAHOO BOOTS BOSS**

SAN FRANCISCO: Yahoo chief operating officer Henrique de Castro is walking away with a stock award of $US520 million ($A2.25 billion) as the company struggles to boost revenues, regulatory filings show.

The California-based internet firm's second-in-command was cut effective yesterday, having served in the post about 15 months since being hand-picked by CEO Marissa Mayer shortly after taking the top job.

---

**RETAILER CUTS JOBS**

NEW西州, United States department store operator J.C. Penney announced it would cut 2000 jobs and close 33 stores as it tries to get back on the path to profitability.

---

**Revenue lifts Iluka**

PERTH: Iluka Resources shares have risen 7 per cent after the company reported a sharp increase in quarterly sales revenue.

Revenue lifted 28 per cent to $41 million in the three months to December, up from $32.2 million in the previous quarter.

However, the miner's 2013 full-year revenue fell 28.7 per cent to $751 million. Iluka said titanium dioxide prices started recovering after they hit their lowest in 2011, and the company expects a recovery in ilmenite prices in the second half of the year.

Iluka said zircon demand recovered in 2013, but the recovery was uneven across geographical markets.

The company's total 2013 production was 471,101 thousand tonnes, a 2 per cent fall from 2012. Iluka shares were 60c, or 7.6 per cent higher at 88c.

---

**Bega’s decision to accept the Saputo offer makes the possibility of Saputo gaining a majority holding much more likely.**

---

**Iluka said zircon demand recovered in 2013, but the recovery was uneven across geographical markets.**

---

**Iluka Resources shares have risen 7 per cent after the company reported a sharp increase in quarterly sales revenue.**

---

**Iluka Resources shares have risen 7 per cent after the company reported a sharp increase in quarterly sales revenue.**

---

**Iluka Resources shares have risen 7 per cent after the company reported a sharp increase in quarterly sales revenue.**