All clear on DJs

New owner in August

THE foreign takeover of David Jones has cleared its final hurdle, despite the corporate watchdog hitting out at a $400 million payday for billionaire Solomon Lew.

Federal Court Justice Kathleen Farrell approved the $2.2 billion takeover yesterday, paving the way for South African retailer Woolworths to take control of Australia's oldest department store chain next month.

But the Australian Securities and Investments Commission refused to provide the court with a letter of consent, due to concerns about an offer to retail mogul Solomon Lew.

Mr Lew bought into David Jones after the takeover proposal was announced and amassed a near 10 per cent stake, raising fears he could block the takeover.

But the billionaire abstained from Monday's shareholder vote after Woolworths offered him more than $200 million for his remaining stake in fashion retailer Country Road, in addition to the $200-plus million he will receive for his David Jones shares.

EVAN SCHWARTEN
DEALS

Woolworths already owns almost 88 per cent of Country Road and Mr Lew has been languishing on the share registry for 17 years, reportedly agitating for the South African company to buy him out.

ASIC's counsel John Halley SC told the court the regulator believed that amounted to a collateral benefit not available to other shareholders in DJs.

However, he said ASIC would not oppose a court order approving the takeover.

Justice Farrell's decision means Woolworths will take control of David Jones from August 1, with payments to shareholders the same day.

David Jones shares, $3.99 late yesterday, are expected to stop trading on the ASX today.
AAP

TRADE DEALS TO BEEF UP FARMERS

The Japan and South Korea free trade agreements get the thumbs up from the beef industry.

THE Federal Government's free trade agreements with Japan and South Korea will benefit Australia's beef industry over time, according to the nation's biggest beef producer.

Australian Agricultural Company chairman Donald McGauchie says AACo hopes to gain exposure to rising incomes in Asia and the associated rise in demand for premium food.

"The free trade agreements with Japan and South Korea were welcome,"

AGRIBUSINESS

Mr McGauchie said, speaking at AACo's annual meeting in Brisbane yesterday.

Mr McGauchie said the deal with South Korea, signed in February, would help protect Australia's beef sector from increased competition from the US.

The US has a slight tariff advantage over Australian beef due to America signing its own free trade deal with South Korea in 2012.

But the Australia-South Korea agreement would ensure that Australian beef prices do not fall further behind, he said.

South Korea is AACo's largest export beef market, accounting for more than 20 per cent of the company's annual beef sales.

Mr McGauchie also said AACo's $91 million abattoir under construction near Darwin would be commissioned in two months' time. AACo shares closed 0.8 per cent higher at $1.27.

Woodside in shift back to exploring

ENERGY

WOODSIDE Petroleum is forecasting a boost to production as it gets back to basics and focuses on exploration rather than expensive overseas deals.

The oil and gas company has lifted its annual production target on the back of a better-than-expected quarterly report.

Analysts say the company's Pluto operations have driven the result and led to an improved outlook as it plumps for exploration rather than acquisitions or costly developments.

Woodside's sales revenue rose 24.8 per cent to $US1.679 billion in the three months to the end of June, compared to the same period in 2013.

Production levels rose 17.5 per cent to 23.5 million barrels of oil equivalent (mmboe).

Given its strong operating performance, the company said it was lifting its production target range for 2014 to between 89 and 94 mmboe, up from 86 million to 93 million mmboe.

State One Stockbroking analyst Peter Kopetz said the report showed that Woodside was looking at exploration with projects in Morocco, Ireland, Tanzania, Myanmar and another deal in the US.

Woodside shares advanced 0.6 per cent, or 25c, to $41.87.

AUSTRALIAN BUSINESS AWARDS

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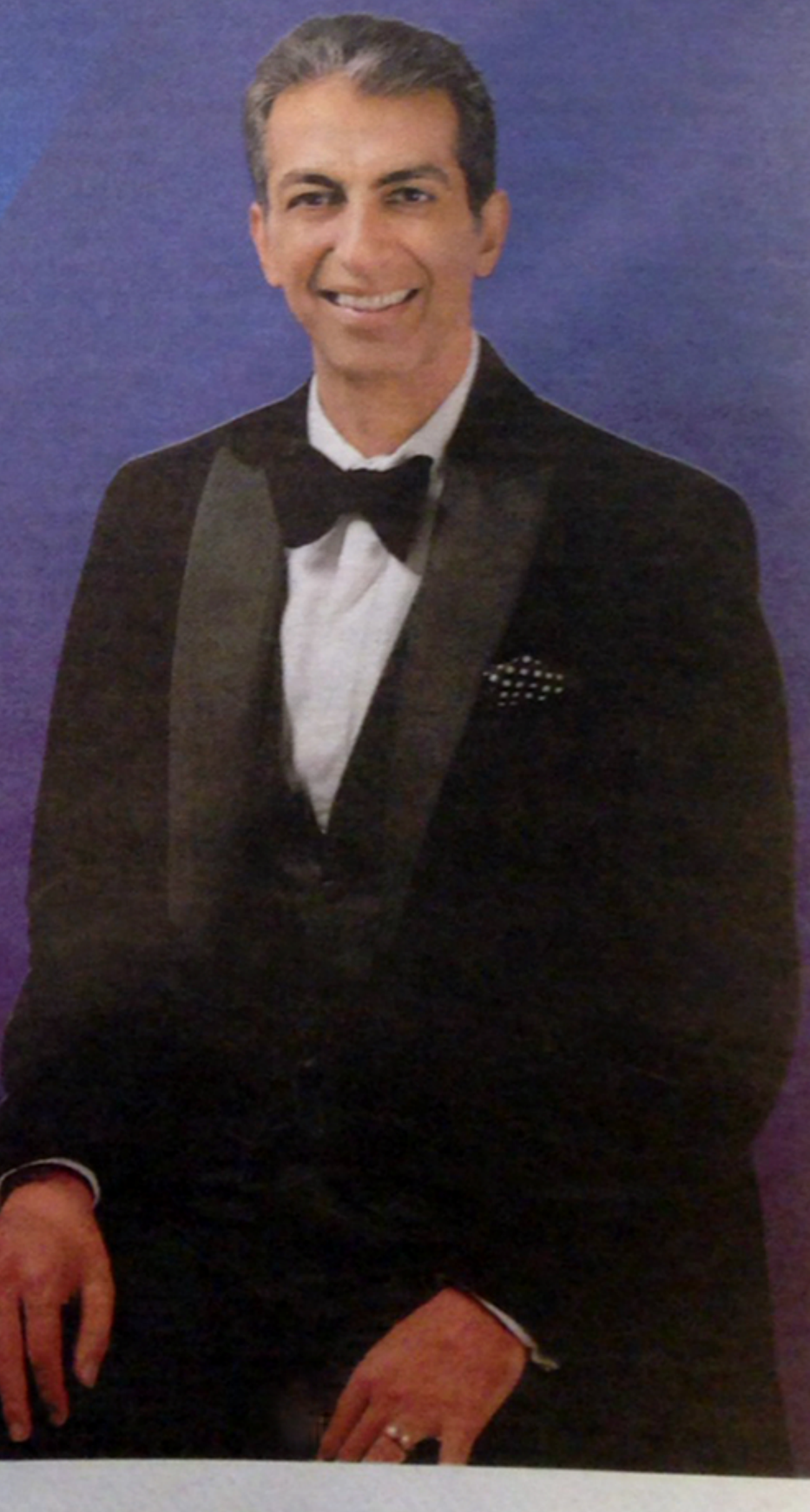
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