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Saputo strikes a deal with Goulburn worth $1B

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It will expand Saputo's presence in Australia after the acquisition of Warrnambool Cheese & Butter in 2014, which Murray Goulburn was also interested in at the time, followed by a deal for Lion Dairy's remaining stake in Warrnambool this year.

Murray Goulburn reported net revenue of AUD 2.49 billion ($1.9 billion) for its 2016/17 fiscal year – down 10%, which it said was due to a decline in liquid milk sales.

The deal brings an end to months of speculation regarding the future of Murray Goulburn, with Fonterra the most recent company to have declared an interest in the debt-ridden business.

Goulburn also reported a net loss of AUD 370.8 million ($283.5 million) and has total debts of AUD 445 million ($340 million).

The price represents between AUD 1.10 and AUD 1.15 ($0.84–$0.88) per share, a premium of around 75% or 80% on Murray Goulburn's undisturbed share price. The transaction is expected to be completed in the first half of 2018.