



Wesfarmers Agribusiness Limited

(A.C.N. 008 747 126)

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Perth WA 6000

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25 January 2001

Company Announcements Office
Australian Stock Exchange Limited
2 The Esplanade
Perth WA 6000

Dear Sir

**Wesfarmers Agribusiness Limited
Takeover of IAMA Limited**

We enclose a copy of Wesfarmers Agribusiness Limited's Bidder's Statement and offer document, pursuant to section 633 of the *Corporations Law*.

A copy of these documents have been served on IAMA Limited today.

Yours faithfully

Director
Wesfarmers Agribusiness Limited

Enc

Bidder's Statement

1. Proposed takeover offer

Wesfarmers Agribusiness Limited (Wesfarmers Agribusiness), a wholly owned subsidiary of Wesfarmers Limited (Wesfarmers), proposes making takeover offers (offers) under an off-market bid in respect of all the fully paid ordinary shares (Shares) in the capital of IAMA Limited ABN 50 008 724 052 (IAMA).

Offers will be made in respect of all IAMA Shares which exist (or will exist) as at the date set by Wesfarmers Agribusiness under section 633(2) of the Corporations Law.

This document is a Bidder's Statement given by Wesfarmers Agribusiness to IAMA pursuant to Part 6.5 of the Corporations Law.

2. Background

The offers are subject to completion of the proposed merger (Merger) of IAMA with Wesfarmers Dalgety Limited (Dalgety) pursuant to a share sale agreement between IAMA, Wesfarmers and Dalgety dated 27 November 2000 (Share Sale Agreement). Under the Share Sale Agreement, subject to the satisfaction (or waiver) of the conditions precedent (including the approval of the Merger by the IAMA shareholders at the Annual General Meeting of IAMA on 9 February 2001), IAMA will:

- acquire all of the issued capital of Dalgety (which conducts an agricultural products and services business) and related assets of Wesfarmers (together, the Dalgety Business); and
- issue Shares to Wesfarmers such that Wesfarmers holds 60 per cent of the issued shares in IAMA.

The details of the Merger and the terms of the Share Sale Agreement are contained in the Notice of Meeting and Explanatory Statement (Explanatory Statement) sent to all IAMA shareholders on 9 January 2001.

The Explanatory Statement also contains a report dated 21 December 2000 by PricewaterhouseCoopers Securities Ltd (PwCS), the Independent Expert appointed by IAMA to consider, amongst other things, whether the takeover offer of \$1.65 per IAMA Share is fair and reasonable to IAMA shareholders, pursuant to section 640 of the Corporations Law.

The Independent Expert's Report contains the following information:

- (a) the scope of the PwCS' investigations, the basis of its assessment, its valuations and valuation methodology and its conclusions;
- (b) the forecast profitability and net assets of IAMA after the Merger;
- (c) an assessment of the value of IAMA after the Merger;
- (d) information on Dalgety, including a review of its business operations, profitability and financial position;
- (e) an assessment of the fair market value of Dalgety; and
- (f) an assessment of the value of the synergy benefits which had been forecast by IAMA and Dalgety.

The Independent Expert has concluded that the takeover offer of \$1.65 per IAMA Share is fair and reasonable to IAMA shareholders and has recommended that the IAMA shareholders should accept the offer of \$1.65 per IAMA Share or sell their IAMA Shares on market in the absence of a higher offer.

During the offer period, you may obtain, free of charge, a copy of the Explanatory Statement and the Independent Expert's Report from the IAMA website (www.iama.com.au) or by contacting the Wesfarmers Information Line toll free on 1800 200 280.

3. Directors of Wesfarmers Agribusiness

The names and occupations of the directors of Wesfarmers Agribusiness are set out below:

<i>Name</i>	<i>Occupation</i>
Michael Alfred Chaney	Chief Executive Officer and Managing Director, Wesfarmers Limited
Erich Fraunschiel	Finance Director, Wesfarmers Limited
Francis Guy David Landels	Chief Legal Counsel, Wesfarmers Limited

The address of each director is care of Wesfarmers Limited, 11th Floor, Wesfarmers House, 40 The Esplanade, Perth, Western Australia, 6000.

4. Principal activities of Wesfarmers Agribusiness and the Wesfarmers Group

4.1 Wesfarmers Agribusiness

Wesfarmers Agribusiness is a wholly-owned subsidiary of Wesfarmers and is being used for the specific purpose of holding IAMA Shares acquired under the offers. Wesfarmers Agribusiness has no operations of its own.

4.2 Wesfarmers - background

Wesfarmers was incorporated in Western Australia on 30 June 1981 and listed on the Australian Stock Exchange (ASX) on 15 November 1984, following the implementation of a scheme of arrangement between Westralian Farmers Co-operative Limited (a Western Australian farmers co-operative founded in 1914) and its members. While maintaining a focus on the provision of services and merchandise to the rural community, Wesfarmers has undertaken a diversification programme over the past decade which has resulted in the acquisition of a broad range of businesses across Australia.

4.3 Principal activities of the Wesfarmers Group

Wesfarmers and its controlled entities (together the Wesfarmers Group) is a diversified industrial conglomerate, with interests in fertilisers, chemicals, gas processing and distribution, coal, hardware, rural services including merchandise, finance, insurance and agency business (wool, livestock and real estate), forest products and transport.

As at the date of this Bidder's Statement, the Wesfarmers Group employs approximately 9,700 full time staff and approximately 4,700 part time or casual staff. Wesfarmers has 41,000 shareholders on its register comprising farmers, institutions, employees and other investors.

5. Post-takeover intentions

As noted above, Wesfarmers Agribusiness is a wholly-owned subsidiary of Wesfarmers. As holder of the IAMA Shares to be acquired under the offers, Wesfarmers Agribusiness will have direct control of voting and disposal powers over those IAMA Shares. However, as a wholly-owned subsidiary, Wesfarmers Agribusiness acts at the direction of Wesfarmers. Therefore, in practice, decisions in relation to the exercise of those powers and the conduct of the IAMA business will be made by the board of directors of Wesfarmers.

The intentions of Wesfarmers Agribusiness concerning the business, operations, assets and employees of IAMA are the same as Wesfarmers' intentions as set out in this section 5.

5.1 Approach

This section 5 sets out Wesfarmers' intentions on the basis of facts and information concerning IAMA which are known to Wesfarmers at the time of preparation of this Bidder's Statement, and the existing circumstances affecting the business of IAMA. However, final decisions will only be reached in light of all material facts and circumstances at the relevant time. Accordingly, the statements set out in this section 5 are statements of current intentions only which may vary as circumstances require.

5.2 Intentions upon gaining control but less than 90 per cent of IAMA

If the Wesfarmers Group gains control of IAMA but Wesfarmers Agribusiness is not entitled to compulsorily acquire the outstanding Shares, then Wesfarmers intends to:

- (a) provided that all the requirements for listing continue to be met, request that the board of IAMA makes application to the ASX to continue to quote and list the Shares;
- (b) procure that all of the directors of IAMA other than Mr NB Roberts and Mr HT Mani resign in accordance with the Share Sale Agreement;
- (c) procure that Mr MA Chaney, Mr E Fraunschiel and Mr RJB Goyder be appointed as directors of IAMA in accordance with the Share Sale Agreement;
- (d) subject to the Corporations Law and the constitution of IAMA, ensure that the board of IAMA appropriately reflects the Wesfarmers Group's ownership interest in IAMA;
- (e) seek to restructure the current borrowing arrangements of IAMA;

- (f) request the board of IAMA to review the dividend policy of IAMA from time to time in light of IAMA's gearing level and projected cash requirements; and
- (g) implement the intentions outlined in section 5.4 below, which are consistent with the Wesfarmers Group gaining control of IAMA.

Wesfarmers would only make a decision on these courses of action following receipt of legal, taxation and financial advice and Wesfarmers' intentions must be read as subject to the legal obligation of the IAMA board of directors to have regard to the interests of all IAMA shareholders.

5.3 Intentions upon acquisition of 90 per cent or more of IAMA

If Wesfarmers Agribusiness becomes entitled to proceed to compulsory acquisition in accordance with the Corporations Law, then Wesfarmers intends to:

- (a) cause Wesfarmers Agribusiness to compulsorily acquire the outstanding IAMA Shares in accordance with the provisions of the Corporations Law;
- (b) procure that IAMA is removed from the Official List of ASX;
- (c) ensure that the board of IAMA appropriately reflects the Wesfarmers Group's ownership interest in IAMA;
- (d) take steps to replace any remaining IAMA's debt facilities with the Wesfarmers Group's loan facilities;
- (e) review the dividend policy of IAMA with an objective of making it consistent with Wesfarmers' dividend policy of paying 100 per cent of after-tax profits as dividends while franking credits are available; and
- (f) implement the intentions outlined in Section 5.4 below, which are consistent with the Wesfarmers Group gaining 100 per cent ownership of IAMA.

5.4 Intentions on gaining control

Irrespective of whether Wesfarmers Agribusiness is in a position to compulsorily acquire the outstanding Shares, the Wesfarmers Group will be in a position to exercise a degree of control over IAMA through its minimum shareholding of 60 per cent of IAMA if the Merger is implemented. In these circumstances, Wesfarmers intends:

- (a) either in its own right (if it owns 100 per cent of IAMA) to; or
- (b) in instances where it does not own 100 per cent of IAMA, to request the board of IAMA to:
 - (1) conduct an immediate review of all of the combined businesses' operating divisions to identify areas of cost savings, business opportunities generated by the acquisition and the businesses which may provide overall strategic and operational fits. It is likely that any businesses or operations that are determined to not have the appropriate level of strategic value would be divested;
 - (2) review the employment and staffing requirements of IAMA after the Merger. It is likely that appointments for new or revised positions would be based upon the assessment of the requirements of the position, taking account of all relevant factors. It is expected that some redundancies will arise following the assumption of control by the Wesfarmers Group as a consequence of the review of the businesses, assets and operations of IAMA;
 - (3) review the contractual and licensing, distribution and supply arrangements where the terms of those contracts would or may be infringed by the acquisition or conduct of the IAMA businesses by the Wesfarmers Group and further to ensure the terms of those agreements are commercial and consistent with the Wesfarmers Group's requirements for IAMA; and
 - (4) adopt, as a company controlled by the Wesfarmers Group, the Wesfarmers Group's standards in areas of corporate governance, financial reporting and systems and general business principles.

Without pre-empting the outcome of the review referred to above, based on the information currently known to Wesfarmers, Wesfarmers specifically intends to:

- (5) centralise in Sydney corporate head office functions such as company secretarial and financial management (including accounting and information systems), as well as those functions involved in setting overall direction and control of the combined operations of IAMA and thereby seek to reduce or eliminate costs where possible or appropriate, particularly in instances where those costs relate to duplicated activities. In addition to the head office function, Wesfarmers has identified the following areas where duplication may exist and rationalisation may be implemented (including possible employee redundancies):
 - warehousing and distribution systems;
 - accounting and information systems;
 - the combined branch network of both IAMA and Dalgety; and
 - regional offices.

- (6) in relation to the centralisation of the head office function, seek to allocate alternative responsibilities to any employees whose responsibilities currently include head office activities that are duplicated. If it is considered that any such employee is unable to be allocated alternative responsibilities, it is expected that the employee would be made redundant and would receive the redundancy and other entitlements due to him or her;
- (7) review the current divestment programme being undertaken by IAMA for the purposes of determining whether that programme should be continued; and
- (8) seek to extend a number of the Wesfarmers Group's services such as finance and insurance to the IAMA network.

5.5 Other Intentions

Except as set out above and elsewhere in this Bidder's Statement, Wesfarmers Agribusiness has no intention to:

- (a) change the business of IAMA;
- (b) inject further capital into IAMA;
- (c) change the employment of the present employees of IAMA;
- (d) transfer any property between IAMA and the Bidder or any person associated with either of them (other than as set out in the Share Sale Agreement);
- (e) otherwise redeploy the fixed assets of IAMA; or
- (f) change significantly the financial or dividend policies of IAMA.

6. Securities in IAMA

- (a) At the date of this Bidder's Statement:
 - (1) there are 98,870,363 IAMA Shares on issue;
 - (2) Wesfarmers Agribusiness has a deemed relevant interest in the 12,896,134 IAMA Shares held by Wesfarmers; and
 - (3) the voting power of Wesfarmers Agribusiness in IAMA is approximately 13.04 per cent.
- (b) Upon completion of the Merger:
 - (1) there will be 214,935,573 IAMA Shares on issue;
 - (2) Wesfarmers Agribusiness will have a deemed relevant interest in the 128,961,344 IAMA Shares held by Wesfarmers; and
 - (3) the voting power of Wesfarmers Agribusiness in IAMA will be 60 per cent.

7. Dealings in IAMA Shares

During the four months before the date of this Bidder's Statement, neither Wesfarmers Agribusiness nor any associate of Wesfarmers Agribusiness has provided, or agreed to provide, consideration for Shares under a purchase or agreement, except pursuant to the Share Sale Agreement, the key terms of which are summarised in the Explanatory Statement.

Under the Share Sale Agreement, Wesfarmers has agreed to sell the Dalgety Business to IAMA in consideration for the allotment of 116,065,210 IAMA Shares. The Independent Expert's Report prepared by PwCS assesses the fair market value of the Dalgety Business at between \$122.0 million to \$145.0 million, implying an acquisition price of between \$1.05 and \$1.25 per Share to be issued by IAMA to Wesfarmers.

8. Other benefits

During the period of four months before the date of this Bidder's Statement, neither Wesfarmers Agribusiness nor any associate of Wesfarmers Agribusiness gave, or offered to give or agreed to give a benefit to another person that was likely to induce the other person, or an associate of that person, to:

- (a) accept an offer under the bid; or
- (b) dispose of IAMA Shares,

and which is not offered to all holders of IAMA Shares under the bid.

9. Funding

9.1 Total consideration payable

The consideration for the acquisition of the IAMA Shares under the offers is to be satisfied by payment of cash.

The maximum amount of the cash consideration which would be payable under the offers for the IAMA Shares not held by the Wesfarmers Group following completion of the Merger is \$141,857,478.

9.2 Sources of cash

Wesfarmers Agribusiness intends to fund the acceptances under the offers using cash obtained by Wesfarmers Agribusiness under a facility provided by Wesfarmers (the Facility) and described in section 9.3.

Wesfarmers will obtain the funds it has agreed to provide to Wesfarmers Agribusiness under the Facility from credit facilities it has available from various banks, as described in section 9.4.

The funds available from these sources are sufficient to fund acceptances under the offers, together with all transaction costs (including all fees, expenses and duties) of making the offers.

9.3 Facility from Wesfarmers to Wesfarmers Agribusiness

Under the Facility, Wesfarmers has agreed to provide to Wesfarmers Agribusiness by way of inter-company loans such amounts as may be required by Wesfarmers Agribusiness to pay for IAMA Shares acquired by Wesfarmers Agribusiness and to pay all fees, expenses and duties relating to the acquisition of IAMA Shares.

There are no conditions precedent to the availability of funds under this Facility other than the provision of a certified copy of a board resolution requesting Wesfarmers to make the requisite funds available.

The other material terms and conditions applicable to the Facility are:

- (a) Wesfarmers will ensure that the funds are available to Wesfarmers Agribusiness before Wesfarmers Agribusiness is required to pay for any IAMA Shares acquired by it or to pay any such fees, expenses and duties.
- (b) Wesfarmers will ensure that the funds remain available while Wesfarmers Agribusiness has any outstanding obligation to pay for IAMA Shares acquired by it or to pay any such fees, expenses and duties.
- (c) Wesfarmers Agribusiness must repay the principal outstanding upon demand by Wesfarmers. However, no demand for repayment may be made by Wesfarmers while the offers remain open, or while Wesfarmers Agribusiness has any outstanding obligation to pay for IAMA Shares acquired by it under the offers or in exercise of rights of compulsory acquisition of IAMA Shares under the Corporations Law.

The funds that Wesfarmers must provide to Wesfarmers Agribusiness under the Facility mentioned above will be sourced from funds available to Wesfarmers under banking facilities which are described in section 9.4 and which can be drawn down to meet its commitment to Wesfarmers Agribusiness.

9.4 Available facilities

(a) Facilities

Wesfarmers has in place committed credit facilities from the following financial institutions that it may draw on to fund the acquisition of IAMA Shares by Wesfarmers Agribusiness:

<i>Financial Institution</i>	<i>Facility</i>
Commonwealth Bank of Australia	Bill Acceptance
Australian and New Zealand Banking Group	Multi Option (including Bill Acceptance)
Banque Nationale de Paris	Multi Option (including Bill Acceptance)
National Australia Bank	Bill Acceptance
Westpac Banking Corporation	Bill Acceptance

Each of these facilities allows Wesfarmers to borrow money through a bank bill facility until at least 30 July 2001. The amount available under the facilities is sufficient to satisfy Wesfarmers' obligations under the Facility. Wesfarmers has not yet determined the mix of facilities described in this section 9.4 which it will use to fund its obligations under the Facility.

(b) Conditions precedent

The facilities outlined in section 9.4(a) contain no conditions precedent to drawdown that have not already been satisfied (other than the giving of drawdown notices).

(c) Use of funds

The facilities outlined in section 9.4(a) contain no provisions restricting the use of amounts drawn down under those facilities so that those amounts are available to fund acceptances of the offers.

(d) Other terms and conditions

The facilities outlined in section 9.4(a) are on normal banking terms and conditions with respect to matters such as drawdown notices and procedures, events of default and remedies of the lender in the event of default. The making of the offers does not trigger any event of default under the facilities which would have a material adverse effect on the ability of Wesfarmers to drawdown funds under the facilities.

10. Taxation considerations

The following is intended to provide only a general overview of the Australian taxation implications for Australian residents in disposing of IAMA Shares. This summary is not intended to be comprehensive and is based upon the interpretation by Wesfarmers Agribusiness of income tax legislation currently in force as at the date of this document.

IAMA shareholders should not rely on these comments as advice in relation to their own affairs. The taxation laws are complex and there could be implications in addition to those generally described below. It is recommended that IAMA shareholders consult their own tax advisers for advice applicable to their individual needs and circumstances. Wesfarmers Agribusiness does not accept any responsibility for tax implications for individual shareholders.

The implications for non-resident shareholders will vary according to their particular circumstances. It is recommended that non-resident IAMA shareholders consult their own tax advisers for advice applicable to their jurisdiction and individual needs and circumstances.

10.1 Disposal of IAMA Shares held as a capital investment

Acceptance of an offer will constitute a disposal of IAMA Shares (called a CGT Event).

If IAMA Shares are held by Australian resident shareholders as a capital investment, a taxable capital gain or capital loss may be triggered on the CGT Event.

A taxable capital gain or capital loss will only arise for those IAMA Shares acquired after 19 September 1985.

A taxable gain arises if there is an excess of the proceeds on disposal (\$1.65) over the cost base of those IAMA Shares.

If post 19 September 1985 IAMA Shares were acquired before 21 September 1999, and were owned for at least 12 months before the offer is accepted, an individual can choose to include in his or her taxable capital gain:

- (a) 50 per cent of the capital gain without any indexation of the cost base; or
- (b) 100 per cent of the net capital gain, calculated as the difference between the proceeds on disposal and the cost base indexed until 30 September 1999.

If an individual makes a capital gain from the disposal of IAMA Shares acquired after 21 September 1999, and which have been held for 12 months before disposal, the individual will be taxed on 50 per cent of the gain with no indexation applying to the cost base.

If an individual makes a capital gain from the disposal of IAMA Shares acquired after 21 September 1999 which have not been held for 12 months before the disposal, the individual will be taxed on 100 per cent of the gain with no indexation applying to the cost base.

A capital loss will arise if the proceeds on disposal are less than the cost base of those IAMA Shares. In calculating a capital loss, the cost base is not indexed for inflation, irrespective of how long the IAMA Shares have been held. A capital loss may be offset only against capital gains arising in the same or subsequent years of income.

10.2 Disposal of IAMA Shares held as revenue assets

In certain circumstances, for example, where the shareholder is in the business of trading in shares or where their IAMA Shares were acquired with a dominant purpose of profit-making by sale, Australian resident shareholders may be subject to the general income tax provisions (rather than the capital gains (CGT) provisions) of the tax legislation in respect of profits or losses arising on disposal of their IAMA Shares.

A taxable gain will arise if the consideration received by IAMA shareholders (\$1.65) exceeds the cost of the IAMA Shares. A loss will arise where the consideration received (\$1.65) is less than the cost of the IAMA Shares. These losses can be offset against profits or capital gains.

11. Other material information

There is no other information material to the making of a decision by a holder of IAMA Shares whether to accept an offer under the bid, which is known to Wesfarmers Agribusiness, other than the following:

11.1 ASIC modifications

Wesfarmers Agribusiness has obtained various modifications to the Corporations Law from the Australian Securities and Investments Commission, the effect of which is:

- (a) to clarify that the events referred to in section 611(2)(d)(ii) of the Corporations Law may operate as conditions;
- (b) to clarify that the conditions referred to in section 625(3) are not defeating conditions;
- (c) to confirm the payment obligations owed to persons who do not tender the necessary transfer documents at the time of acceptance to the general payment obligations under the offers;

- (d) to permit the copy of the Bidder's Statement lodged with the Australian Securities and Investments Commission and sent to IAMA to omit the names and addresses of holders of IAMA Shares and the date of the offers and dates which depend on that date;
- (e) to permit the copy of the Bidder's Statement lodged with the Australian Securities and Investments Commission and sent to IAMA to omit details required to be disclosed under:
 - section 636(1)(h) of the Corporations Law in relation to acquisitions or disposals of IAMA Shares by Wesfarmers Agribusiness or its associates in the previous four months;
 - section 636(1)(l) of the Corporations Law in relation to benefits to IAMA shareholders in the previous four months;
 - section 636(1)(k)(ii) of the Corporations Law in relation to the relevant interest of Wesfarmers Agribusiness in IAMA; and
 - section 636(1)(l) of the Corporations Law in relation to the voting power of Wesfarmers Agribusiness in IAMA, for the period between the date of the Bidder's Statement and the date of the offers;
- (f) if the offer is varied by improving the consideration, to entitle a person who has already accepted the offer to receive that improved consideration within the same period as specified in the offer;
- (g) to enable the conditions expressed in section 650F of the Corporations Law to be satisfied within the time periods specified in that section, even if that time is after the expiry of the offer period;
- (h) to enable this Bidder's Statement to include by reference the Independent Expert's Report identified in section 2 of this Bidder's Statement, as required by section 636(2) of the Corporations Law;
- (i) to exclude the shares in which Wesfarmers Agribusiness has a relevant interest from the number of securities that Wesfarmers Agribusiness offered to acquire under the offers for the purposes of section 661A(1)(b)(ii) of the Corporations Law;
- (j) to clarify that under section 617(2) of the Corporations Law the bid may extend to securities that come into the bid class during the period from the date set by Wesfarmers Agribusiness under subsection 633(2) of the Corporations Law to the end of the offer period due to a conversion or exercise of rights;
- (k) to extend the application of section 619(3)(a) of the Corporations Law to all foreign holders, or certain foreign holders specified in the Bidder's Statement and the application of section 619(3)(b)(i) of the Corporations Law to those foreign holders;
- (l) if a defeating condition has been fulfilled during the bid period, to require Wesfarmers Agribusiness to give notice that a defeating condition has been fulfilled during the bid period rather than publish a notice;
- (m) to clarify that the relevant period for conversion in section 636(1)(j) of the Corporations Law is during the period from the date set by Wesfarmers Agribusiness under section 633(2) of the Corporations Law to the end of the offer period; and
- (n) to clarify that if the bid is subject to a defeating condition, under section 650C(2) of the Corporations Law Wesfarmers Agribusiness may only extend the offer period after the notice under section 630(3) of the Corporations Law has been given if one of the events listed in section 650C(2) of the Corporations Law happens after the notice has been given.

11.2 Review of information

Wesfarmers conducted a review of certain information and documents made available by IAMA, before it announced the takeover bid on 9 January 2001.

This information included IAMA's budget for the year ending 30 September 2001.

IAMA's forecast earnings for the year ending 30 September 2001 (as disclosed in the Notice of Meeting and Explanatory Statement for the Merger) projects EBITA of \$16.9 million. Wesfarmers' internal assessment of IAMA's EBITA for this period is less than that forecast by IAMA, principally because Wesfarmers has more conservative expectations than IAMA in relation to margins.

No other information was received by Wesfarmers that is material for IAMA shareholders, and that has not already been publicly disclosed by IAMA or disclosed in this Bidder's Statement.

11.3 Merger synergies

Wesfarmers Agribusiness believes that IAMA will be able to achieve a slightly higher level of Merger synergies compared to that disclosed in the Notice of Meeting and Explanatory Statement for the Merger if it is wholly-owned by the Wesfarmers Group rather than partially owned. These additional synergies relate mainly to avoiding the cost of maintaining IAMA as a separate listed company.

11.4 Consent

PwCS has consented to the statements in sections 2 and 7 being made in this Bidder's Statement in the form and context in which those statements appear.

IAMA has consented to the statements in sections 2 and 11 being made in this Bidder's Statement in the form and context in which those statements appear.

11.5 Satisfaction of conditions precedent

The offers are subject to completion of the Merger pursuant to the Share Sale Agreement. Completion of the Merger is conditional upon the satisfaction of a number of conditions precedent set out in the Share Sale Agreement (as detailed in the Notice of Meeting and Explanatory Statement).

At the date of this Bidder's Statement, the following conditions precedent have been satisfied:

- (a) Wesfarmers has received legal advice that the transactions contemplated by the Share Sale Agreement do not contravene section 50 of the Trade Practices Act 1974 (Cth);
- (b) the relevant Futuris litigation parties (as that term is defined in the Share Sale Agreement) have consented in writing to, and the Supreme Court of South Australia has made orders granting, a stay of the Futuris litigation (as that term is defined in the Share Sale Agreement); and
- (c) the Futuris litigation parties and Wesfarmers have entered into an agreement in a form and on terms satisfactory to Wesfarmers in its absolute discretion for the settlement of the Futuris litigation and the release by the Futuris litigation parties of all claims and proceedings against IAMA, Wesfarmers and other parties as listed in the Share Sale Agreement.

At the date of this Bidder's Statement, the following conditions precedent have not been satisfied:

- (d) IAMA has not yet received legal advice that the transactions contemplated by the Share Sale Agreement do not contravene section 50 of the Trade Practices Act 1974 (Cth);
- (e) IAMA's existing bank facilities have not been extended on terms reasonably satisfactory to Wesfarmers;
- (f) the IAMA shareholders have not approved the Merger;
- (g) the conditions requiring no material adverse change to the financial position and prospects of the IAMA Group or the Dalgety Group (both of which operate until completion) have not been satisfied; and
- (h) the condition requiring that no action has been taken by any court or government agency in relation to the merger (which operates until completion) has not been satisfied.

12. Interpretation

In this Bidder's Statement, unless the contrary intention appears, words and phrases have the same meaning and interpretation as in Chapter 6 of the Corporations Law.

This Bidder's Statement was approved by a resolution passed by the directors of Wesfarmers Agribusiness.

Dated 25 January 2001


Director

A copy of this Bidder's Statement has been lodged with the Australian Securities and Investments Commission on 25 January 2001. The Commission takes no responsibility for the content of the Bidder's Statement.

Offer by

Wesfarmers Agribusiness Limited ABN 38 008 747 126

to purchase all of your ordinary shares in IAMA Limited ABN 50 008 724 052

Dear Shareholder

1. Offer

- 1.1 Wesfarmers Agribusiness Limited (Wesfarmers Agribusiness), a wholly owned subsidiary of Wesfarmers Limited (Wesfarmers), hereby offers to acquire all of your fully paid ordinary shares (Shares) in IAMA Limited (IAMA).
- 1.2 The consideration offered is \$1.65 cash for each IAMA Share.

2. Dividends

- 2.1 Wesfarmers Agribusiness will be entitled to all dividends and other distributions and entitlements declared, paid or made by IAMA or which arise or accrue after the date of the bidder's statement relating to this Offer (Bidder's Statement) in respect of the IAMA Shares which Wesfarmers Agribusiness acquires pursuant to this Offer.
- 2.2 If for any reason whatsoever Wesfarmers Agribusiness does not receive any such dividends or other distributions or entitlements, Wesfarmers Agribusiness will be entitled to reduce the amount of the cash consideration to which you would otherwise be entitled in accordance with this Offer by the amount or value (as reasonably assessed by Wesfarmers Agribusiness) of the dividend or other distribution or entitlement.

3. Offerees

- 3.1 An offer in this form is being made to all the holders of IAMA Shares at 9.00 am Perth time on the date of this Offer.
- 3.2 A person who is able during the offer period to give good title to a parcel of IAMA Shares may, in accordance with section 653B of the Corporations Law, accept an offer under the takeover bid as if an offer on terms identical with the other offers made under the bid had been made to that person in relation to those IAMA Shares.

4. Offer Period

- 4.1 This Offer will, unless withdrawn, remain open for acceptance during the period commencing on the date of this Offer and ending at 7.00 pm Perth time on:
 - (a) [] 2001; or
 - (b) any date to which the period of this Offer is extended in accordance with the Corporations Law;whichever is the later (which period is referred to as the offer period).
- 4.2 This Offer may be withdrawn with the written consent of the Australian Securities and Investments Commission, which may consent subject to conditions.

5. Acceptance of Offer

- 5.1 Issuer sponsored shares
 - If your IAMA Shares are held on IAMA's issuer sponsored subregister when you accept, you must:
 - (a) complete and sign the accompanying Form of Acceptance and Transfer in accordance with the terms of this Offer and the instructions on that form; and

- (b) ensure that the Form of Acceptance and Transfer and any documents required by the terms of this Offer and the instructions on the form are received before the expiry of the offer period at the following address:

Computershare Investor Services Pty Limited
GPO Box D182
Perth WA 6840

or, if by hand delivery:

Computershare Investor Services Pty Limited
Level 2, Reserve Bank Building
45 St George's Terrace
Perth, Western Australia

5.2 CHESS Holdings

If your IAMA Shares are in a CHESS Holding, as defined in the Securities Clearing House Business Rules (the SCH Business Rules), when you accept, you must comply with the SCH Business Rules. Accordingly, to accept this Offer in respect of those IAMA Shares, you should sign and complete the accompanying Form of Acceptance and Transfer in accordance with the terms of the Offer and the instructions on that form and ensure that it is received before the expiry of the offer period at the address specified in clause 5.1. In that case, you will be deemed to have authorised Wesfarmers Agribusiness to accept the Offer on your behalf during the offer period in accordance with the SCH Business Rules and the Corporations Law.

Alternatively, you may:

- (a) instruct your Controlling Participant ¹ to initiate acceptance of this Offer in accordance with Rule 16.3 of the SCH Business Rules before the end of the offer period; or
- (b) if you are a Broker or a Non-Broker Participant ², initiate acceptance of this Offer in accordance with Rule 16.3 of the SCH Business Rules before the end of the offer period.

- 5.3 The return of the Form of Acceptance and Transfer by facsimile does not satisfy the requirements of clause 5.1 or 5.2 (unless you have made prior arrangements with Wesfarmers Agribusiness). If your Form of Acceptance and Transfer is returned by post, it will be deemed to be received in time if the envelope in which it is sent is post-marked before the expiry of the offer period (even if it is received after that date).

- 5.4 Subject to clauses 3.2 and 9, your acceptance of this Offer must be in respect of all the IAMA Shares registered in your name.

- 5.5 Wesfarmers Agribusiness may, in its sole discretion, at any time deem any Form of Acceptance and Transfer it receives to be a valid acceptance in respect of your IAMA Shares even if a requirement for acceptance has not been complied with.

- 5.6 Once you have accepted this Offer, you will be unable to revoke your acceptance and the contract resulting from your acceptance will be binding on you, subject to clause 8.4 and section 650E of the Corporations Law.

5. Undertakings and agreements by you

- 6.1 By signing and returning the Form of Acceptance and Transfer or accepting this Offer pursuant to clause 5.2, you will be deemed to have:

- (a) accepted this Offer in respect of all the IAMA Shares registered in your name regardless of the number of IAMA Shares specified in the Form of Acceptance and Transfer, subject to clauses 3.2 and 9;
- (b) undertaken to Wesfarmers Agribusiness, as a fundamental condition going to the root of the contract resulting from your acceptance, that at the time of acceptance, and the time the transfer to Wesfarmers Agribusiness is registered, all your IAMA Shares are and will be free from all mortgages, charges, liens, encumbrances and adverse interests of any nature, that you have full power and capacity to sell and transfer the legal and beneficial ownership in those IAMA Shares to Wesfarmers Agribusiness, and that you have paid to IAMA all amounts which at the time of acceptance have fallen due for payment to IAMA in respect of those IAMA Shares;
- (c) if you accepted this Offer pursuant to clause 5.1, authorised Wesfarmers Agribusiness (or any director, secretary or agent of Wesfarmers Agribusiness) to alter the Form of Acceptance and Transfer on your behalf by inserting correct details of your IAMA Shares, filling in any blanks remaining on the form, and rectifying any errors or omissions;

¹ For non-institutional shareholders, your "Controlling Participant" will normally be the stockbroker through whom you either bought your shares or through whom you ordinarily acquire shares on the Australian Stock Exchange Limited.

² "Non Broker Participant" refers to CHESS participants who are not brokers (eg. institutions, custodians, trustees, etc.).

- (d) irrevocably authorised and directed IAMA to pay to Wesfarmers Agribusiness or to account to Wesfarmers Agribusiness for all dividends and other distributions and entitlements which are declared, paid, made, or which arise or accrue after the date of the Bidder's Statement in respect of those of your IAMA Shares which it acquires pursuant to this Offer, subject, if this Offer is withdrawn, to Wesfarmers Agribusiness accounting to you for any such dividends, distributions and entitlements received by Wesfarmers Agribusiness;
- (e) authorised Wesfarmers Agribusiness to notify IAMA on your behalf that your place of address for the purpose of serving notices upon you in respect of those of your IAMA Shares which Wesfarmers Agribusiness acquires pursuant to this Offer is such address as is specified by Wesfarmers Agribusiness in the notification;
- (f) with effect from the date on which the Offer is declared free from the condition in clause 8.1, irrevocably appointed Wesfarmers Agribusiness, its secretary and its directors severally from time to time as your exclusive agent to exercise all your powers and rights in relation to your IAMA Shares (including exercising voting rights, attending general meetings and appointing proxies) and to request IAMA to register in the name of Wesfarmers Agribusiness or its nominee your IAMA Shares; and
- (g) authorised Wesfarmers Agribusiness to transmit a message in accordance with SCH Business Rule 16.6.1 so as to transfer those IAMA Shares to the Takeover Transfer Holding of Wesfarmers Agribusiness, regardless of whether it has paid the consideration due to you under this Offer.
- 6.2 The undertakings and authorities referred to in clause 6.1 will remain in force after you receive the consideration for your IAMA Shares acquired by Wesfarmers Agribusiness and after Wesfarmers Agribusiness becomes registered as the holder of them.

7. Payment

- 7.1 Subject to clause 7.3 and clause 8 and to the Corporations Law, Wesfarmers Agribusiness will provide the consideration for your Shares within three business days after the Offer is accepted or, if the Offer is subject to a defeating condition when accepted, within three business days after the takeover contract becomes unconditional.
- 7.2 A cheque in Australian dollars for the cash amount to which you are entitled by accepting this Offer will be posted to you at your risk by ordinary mail at your address shown on the Form of Acceptance and Transfer.
- 7.3 Where the Form of Acceptance and Transfer requires an additional document to be given with your acceptance (such as a power of attorney):
- (a) if that document is given with your acceptance, Wesfarmers Agribusiness will provide the consideration in accordance with clause 7.1;
 - (b) if that document is given after acceptance and before the end of the offer period while the Offer is subject to a defeating condition, Wesfarmers Agribusiness will provide the consideration within three business days after the takeover contract becomes unconditional;
 - (c) if that document is given after acceptance and before the end of the offer period while the Offer is not subject to a defeating condition, Wesfarmers Agribusiness will provide the consideration within three business days after that document is given; and
 - (d) if that document is given after the end of the offer period, Wesfarmers Agribusiness will provide the consideration within 21 days after that document is given.

8. Conditions of this Offer

- 8.1 This Offer and any contract resulting from your acceptance of it are subject to completion occurring under the Share Sale Agreement between IAMA, Wesfarmers and Wesfarmers Dalgety Limited dated 27 November 2000.
- 8.2 Wesfarmers Agribusiness may free this Offer, and any contract resulting from its acceptance, from the condition in clause 8.1 by giving notice to IAMA declaring the offers to be free from the conditions specified in accordance with section 650F of the Corporations Law. This notice may be given not later than seven days before the end of the offer period.
- 8.3 The date for giving the notice on the status of the conditions required by section 630(1) of the Corporations Law is [] 2001 subject to extension in accordance with section 630(2) if the offer period has been extended.
- 8.4 The breach or non-fulfilment of the condition in clause 8.1 does not, until the end of the offer period, prevent a contract arising to acquire your IAMA Shares resulting from acceptance of this Offer, but if:
- (a) Wesfarmers Agribusiness has not declared the offers to be free from the condition in clause 8.1 in accordance with section 650F of the Corporations Law; and
 - (b) the condition has not been fulfilled at the end of the offer period,
- all takeover contracts and all acceptances that have not resulted in binding contracts are void.

9. Trustee shareholders

If you hold all or any of the IAMA Shares the subject of this Offer as trustee or nominee for, or otherwise on behalf of or on account of, another person, you may follow the procedure set out in section 653B of the Corporations Law.

10. No costs and expenses

All costs and expenses of the preparation, dispatch and circulation of this Offer and the stamp duty payable in respect of the transfers will be paid by Wesfarmers Agribusiness. No brokerage is payable by you if you accept this Offer.

11. Variation

Wesfarmers Agribusiness reserves the right to vary this Offer in accordance with Part 6.6 Division 2 of the Corporations Law.

12. Interpretation

In this Offer, unless the contrary intention appears, words and phrases have the same meaning and interpretation as in Chapter 6 of the Corporations Law.

This Offer is dated [] 2001.

Signed for and on behalf of Wesfarmers Agribusiness Limited

MA Chaney
Director

**THIS IS AN IMPORTANT DOCUMENT. IF YOU DO NOT UNDERSTAND IT PLEASE CONSULT YOUR FINANCIAL OR LEGAL ADVISER IMMEDIATELY.
FOR INSTRUCTIONS ON HOW TO ACCEPT THE OFFER SEE OVERLEAF.**

FORM OF ACCEPTANCE AND TRANSFER

Wesfarmers Agribusiness Limited (ABN 38 008 747 126) offer for all your shares in IAMA Limited

1. YOUR DETAILS

SRN/HIN

Number of your IAMA Shares

Cash Consideration

If any of the above details are incorrect, please amend them and initial the alterations.

By accepting the Offer you are accepting for all of your IAMA Shares

2. FOR ISSUER SPONSORED HOLDINGS

If your IAMA Shares are in an Issuer Sponsored Holding (check your details above - if your SRN/HIN begins with an "I" this indicates that your IAMA Shares are held on the Issuer Sponsored Subregister), or if at the time of your acceptance you are entitled to be (but are not yet) registered as the holder of your IAMA Shares, to accept this Offer you must **sign in the box below and return this form.**

OR

3. FOR CHESS HOLDINGS

If your IAMA Shares are held on the CHESS Subregister, to accept this Offer you can either:

- Contact your Controlling Participant – normally your broker
(If you do that, you do not need to return this form)

OR

- If you want us to contact your broker on your behalf, write their details here.
(Broker details for CHESS Subregister only)

Broker's name

Address

AND

Sign in the box below and return this form.

You must ensure that this form is received by us in sufficient time before the end of the Offer Period to enable us to instruct your Controlling Participant to effect acceptance of the Offer on CHESS during business hours.

4. SIGN IN THE BOX BELOW

By signing in the box below, you accept the Offer on and subject to the terms and conditions of the Offer, and you acknowledge the effect of your acceptance as set out in clauses 1 to 12 inclusive of the Offer. If you have a CHESS Holding, you authorise us to give instructions to your Controlling Participant in accordance with clause 5.2 of the Offer.

If you sign this form under a power of attorney, you must send a certified copy of the power of attorney with this form. For a deceased estate, all the executors and administrators must sign, and they must send the probate or letters of administration with this form. In this Acceptance Form, "us" refers to Wesfarmers Agribusiness Limited.

Individual or joint shareholders - each shareholder must sign. Companies - companies may execute this in any way allowed by law (affix seal if required).

Individual or first joint shareholder

Shareholder 2

Shareholder 3

DIRECTOR

DIRECTOR/SECRETARY

SOLE DIRECTOR AND SOLE SECRETARY

Date

/ /

Telephone

DAY MONTH YEAR

PLEASE PROVIDE A BUSINESS HOURS TELEPHONE NUMBER SO THAT WE CAN CONTACT YOU IF NECESSARY

You must complete, sign and return this Acceptance Form to one of the addresses shown overleaf BEFORE the Offer closes. If the Acceptance Form is sent by mail, you may use the enclosed reply paid envelope. Your acceptance must be received by no later than 7.00pm (PERTH time) on 13 March 2001 (unless the Offer is extended).

HOW TO ACCEPT WESFARMERS AGRIBUSINESS LIMITED'S OFFER

Please refer to clauses 1 to 12 inclusive of the Offer. If you have any queries about how to accept the Offer, please call one of the numbers below

Computershare Investor Services on (08) 9323 2000

Wesfarmers information line toll free on 1800 200 280.

CHESSE holdings

If your IAMA Shares are in a CHESSE Holding, you need to contact your Controlling Participant (normally your Broker) with instructions to accept the Offer. **You do not need to return this Acceptance Form.**

If you want us to contact your Controlling Participant on your behalf, you must fill out this Acceptance Form overleaf and return it to one of the addresses shown below. However, you must ensure that this form is received in **sufficient time before the end of the Offer Period to enable us to instruct your Controlling Participant to effect acceptance of the Offer on CHESSE during business hours.**

Other Holdings

If your IAMA Shares are in an Issuer Sponsored Holding, or if you are not yet registered as the holder of your IAMA Shares, then to accept the Offer, you must fill out this Acceptance Form overleaf and return it to one of the addresses shown below.

If you must fill out and return this Acceptance Form, it must be received at one of the addresses shown below before the end of the Offer Period.

Postal address

Computershare Investor Services Pty Limited
GPO Box D182
PERTH WA 6840

Delivery address

Computershare Investor Services Pty Limited
Level 2, 45 St George's Terrace
PERTH WA 6000

If the Acceptance Form is sent by mail, you may use the enclosed reply paid envelope. Overseas shareholders should not use the reply paid envelope.

If you have any questions about how to complete this Acceptance Form, please telephone Computershare Investor Services on (08) 9323 2000, or the Wesfarmers information line toll free on 1800 200 280.

Notice under section 653B of the Corporations Law

This requirement only applies if all or any of your IAMA Shares are held on behalf of anyone else

If all or any of your IAMA Shares are held by you on behalf of anyone else, your IAMA Shares are taken to consist of distinct portions and separate takeover offers are regarded as having been made in respect of each portion. In such case, an acceptance will be ineffective unless this Acceptance Form specifies the number of shares in each portion to which the acceptance relates.

Please complete the details of such portions in the space provided below and indicate whether you accept the Offer in relation to that portion and the number of IAMA Shares in that portion for which you accept the Offer.

No. of IAMA Shares in portion	Yes	No	No. of IAMA Shares in portion for which you accept