



IAMA

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7 July, 2000

IAMA AND WESFARMERS DALGETY IN MERGER DISCUSSIONS

The Board of IAMA Limited announced today that it had made a 15% placement of shares to Wesfarmers Limited ("Wesfarmers") at a price of \$1.27 per share, to raise approximately \$16.4 million.

IAMA Chairman, Mr Neil Roberts said "The issue price of the shares represents a premium of 20% to the weighted average trading price over the last 20 days (\$1.06)."

IAMA concurrently confirmed that it had entered into discussions with Wesfarmers in relation to a potential merger between IAMA and Wesfarmers Dalgety ("Dalgety"), the rural services arm of Wesfarmers. It is anticipated that if a merger is approved by IAMA shareholders, Wesfarmers would become a major shareholder in IAMA.

The IAMA Board expects that unless a more favourable proposal is made to the Company, they should be in a position to recommend approval of a merger to a meeting of shareholders which would be held later this year.

Mr Roberts said "There has been a view in the industry for some time that consolidation was inevitable. IAMA now has an opportunity to ensure that it remains the leader in the agricultural inputs business in Australia. Dalgety is one of the strongest brand names around and the combination of the businesses would result in unrivalled coverage and scale. It would allow us to provide an improved range of products and services to our customers in rural Australia."

CEO of Wesfarmers, Mr Michael Chaney, said "The combined business would have sufficient financial resources to take advantage of emerging business opportunities and international alliances in the sector, including the high growth areas of biotechnology and e-commerce."

Mr Roberts concluded "I believe that the direction we are now taking will offer very significant benefits to IAMA shareholders and I look forward to putting an attractive proposal to our shareholders for their approval."

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