Lumentum Holdings Inc.
Form 4
August 17, 2016

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person *
THOMAS SAMUEL F

(Last) (First) (Middle)

C/O LUMENTUM, 400 NORTH MCCARTHY BLVD

(Street)

MILPITAS, CA 95035

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
Lumentum Holdings Inc. [LITE]

3. Date of Earliest Transaction (Month/Day/Year)
08/15/2016

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	08/15/2016		M[(1)]		3,283	A	$ 0	3,283	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. D Der Sec (Ins
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Restricted Stock Units	$ 0	08/15/2016		M			3,283 (2)	08/15/2016	(3)	Common Stock	3,283	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
THOMAS SAMUEL F C/O LUMENTUM 400 NORTH MCCARTHY BLVD MILPITAS, CA 95035	X			

Signatures

/s/ Judy G Hamel as Attorney-in-Fact	08/17/2016
**Signature of Reporting Person	Date

Explanation of Responses:

***** If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

****** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Each unit converts upon vesting into one share of common stock.

(2) Grant Award annual vesting start date corrected to August 15, 2015.

(3) Restricted Stock Units have no expiration date.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. ussions or negotiations with such a person or group who in the judgment of the Special Committee has made a bona fide Acquisition Proposal, (iii) following receipt of a bona fide Acquisition Proposal, take and disclose to its stockholders a position contemplated by Rule 14e-2(a) under the Exchange Act or otherwise make disclosure to its stockholders, (iv) following receipt of an Acquisition Proposal, fail to make or withdraw or modify its recommendation that all 30 stockholders of IBP who wish to receive cash for their IBP Shares tender their IBP Shares in the Offer and approve the Merger and/or (v) take any non-appealable, final action ordered to be taken by IBP by any court of competent jurisdiction but, in each case referred to in the foregoing (i), (ii) and (iv), only if (i) IBP had complied with the terms of this "No Solicitation Covenant," (ii) IBP had received an unsolicited Acquisition Proposal which the Special Committee determined in good faith was reasonably likely to result in a Superior Proposal, and (iii)

IBP delivered to Tyson a prior written notice advising Tyson that it intended to take such action. "Superior Proposal" means any bona fide written Acquisition Proposal which (i) the Special Committee determined in good faith (after consultation with a financial advisor of nationally recognized reputation and taking into account all the terms and conditions of the Acquisition Proposal) was (a) more favorable to IBP and its stockholders from a financial point of view than the transaction contemplated under the Merger Agreement, and (b) reasonably capable of being completed, including a conclusion that its financing, to the extent required, is then committed or is in the good-faith judgment of the IBP Board, reasonably capable of being financed by the person making such Acquisition Proposal. Covenants of Tyson Pursuant to the Merger Agreement, Tyson agreed to comply with various covenants. Director and Officer Liability. For six years after the Effective Time, Tyson would cause the Surviving Corporation to indemnify and hold harmless the present and former officers and directors of IBP in respect of acts or omissions occurring prior to the Effective Time to the extent provided under IBP's articles of incorporation and bylaws in effect on the date of the Merger Agreement; subject to any limitation imposed from time to time under applicable law. In addition, for six years after the Effective Time, Tyson would cause the Surviving Corporation to use its best efforts to provide officers' and directors' liability insurance in respect of acts or omissions occurring prior to the Effective Time covering each such officer and director currently covered by the IBP's officers' and directors' liability insurance policy on terms with respect to coverage and amount no less favorable than those of such policy in effect on the date of the Merger Agreement, provided that if the aggregate annual premiums for such insurance at any time during such period should exceed 200% of the per annum rate of premium paid by IBP in its last full fiscal year for such insurance, then Tyson would cause the Surviving Corporation to provide only such coverage as would then be available at an annual premium equal to 200% of such rate. Employee Matters. Tyson agreed that, subject to applicable law, the Surviving Corporation and its subsidiaries would provide benefits to their employees which would, in the aggregate, be comparable to those currently provided by Tyson and its subsidiaries to their employees; provided, however, that this provision would not apply to any employees represented for purposes of collective bargaining. Stock Exchange Listing. Tyson agreed to use its reasonable best efforts to cause the shares of Tyson Class A Common Stock to be issued in connection with the Exchange Offer and the Merger to be listed on the NYSE, subject to official notice of issuance. Acquisitions of IBP Shares. Tyson and Purchaser would not acquire any IBP Shares prior to the Effective Time or the termination of the Merger Agreement, other than IBP Shares purchased pursuant to the Offer or the Exchange Offer. Mutual Covenants of Tyson and IBP Pursuant to the Merger Agreement, Tyson and IBP agreed to comply with various mutual covenants. IBP Proxy Statement and Merger Form S-4. If Purchaser did not own at least 90% of the issued and outstanding IBP Shares following consummation of the Offer and the Exchange Offer, the Merger Agreement as originally executed on January 1, 2001 provided that IBP would promptly prepare its proxy statement (the "IBP 31 Proxy Statement") for soliciting proxies to vote at the special meeting of stockholders called to vote on the Merger Agreement and the Merger. Certain Regulatory Issues. Each party would use its reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate the transactions contemplated by the Merger Agreement. Each party would refrain from taking, directly or indirectly, any action contrary to or inconsistent with the provisions of the Merger Agreement, including action which would interfere with the Offer or impair such party's ability to consummate the Merger. The Merger Agreement provides that IBP and the IBP Board would use their reasonable best efforts to (a) take all action necessary so that no state takeover statute or similar statute or regulation was or would become applicable to the Offer, the Exchange Offer, the Merger or any of the other transactions contemplated by the Merger Agreement and (b) if any state takeover statute or similar statute or regulation became applicable to any of the foregoing, take all action necessary so that the Offer, the Exchange Offer, the Merger and the other transactions contemplated by the Merger Agreement might be consummated as promptly as practicable on the terms contemplated by the Merger Agreement and otherwise to minimize the effect of such statute or regulation on the Offer, the Exchange Offer and the Merger. Tyson would take such actions as might be necessary to eliminate any impediment under any antitrust, competition or trade regulation laws that might be asserted by any governmental entity with respect to the Offer, the Exchange Offer or the Merger so as to enable the Offer, the Exchange Offer and the Merger to occur as soon as reasonably practicable. Without limiting the generality of the foregoing, Tyson would agree to divest, hold separate, or agree to any conduct restrictions with respect to any Tyson or IBP assets or may be required by any governmental entity in order to forego that governmental entity bringing any action to enjoin the Offer, the Exchange Offer or the Merger. Public Announcements. Each of Tyson and IBP would consult with each other before issuing any

press release or making any public statement with respect to the Merger Agreement and not issue any such press release or make any such public statement prior to such consultation. Conditions to the Merger The obligations of IBP, Tyson and Purchaser to consummate the Merger would be subject to the satisfaction or, to the extent permitted by law, waiver of the following conditions: (a) the Merger Agreement having been approved and adopted by the stockholders of IBP in accordance with Delaware law; (b) any applicable waiting period under the HSR Act relating to the Offer and the Merger having expired or been terminated; (c) no provision of any applicable law or regulation and no judgment, injunction, order or decree prohibiting the consummation of the Merger; (d) the Merger Form S-4 having been declared effective, no stop order suspending the effectiveness of the Merger Form S-4 being in effect and no proceedings for such purpose will be pending before the SEC; and (e) the shares of Tyson Class A Common Stock to be issued in the Exchange Offer and the Merger have been approved for listing on the NYSE, subject to official notice of issuance. The obligation of IBP to consummate the Merger would also be subject to the condition that the Purchaser had purchased the IBP Shares representing, together with IBP Shares previously owned by Tyson, no less than 50.1% of the issued and outstanding IBP Shares. 32 Termination The Merger Agreement could be terminated and the Merger could be abandoned at any time prior to the Effective Time (notwithstanding any approval of the Merger Agreement by the stockholders of IBP): (a) by mutual written agreement of IBP and Tyson; (b) (i) by IBP, if the Offer had not been consummated by February 28, 2001, provided that IBP was not then in breach in any material respect of any of its obligations under the Merger Agreement; or (ii) by either IBP or Tyson (but in case of Tyson, only if no IBP Shares were purchased by Purchaser pursuant to the Offer or the Exchange Offer) if the Merger had not been consummated by May 31, 2001, provided that the party seeking to exercise such right was not then in breach in any material respect of any of its obligations under the Merger Agreement; (c) by either IBP or Tyson if there was any law or regulation that made acceptance for payment of, and payment for, the IBP Shares pursuant to the Offer, or consummation of the Merger illegal or otherwise prohibited or any judgment, injunction, order or decree of any court or governmental body having competent jurisdiction permanently enjoining Purchaser from accepting for payment of, and paying for, the IBP Shares pursuant to the Offer or Purchaser, IBP or Tyson from consummating the Merger and such judgment, injunction, order or decree having become final and nonappealable; (d) by Tyson, prior to the purchase of the IBP Shares pursuant to the Offer, (i) if the IBP Board had withdrawn, or modified or amended in a manner adverse to Tyson, its approval or recommendation of the Merger Agreement, the Offer, the Exchange Offer or the Merger or its recommendation that stockholders of IBP tender their IBP Shares pursuant to the Offer and the Exchange Offer, adopt and approve the Merger Agreement and the Merger or approved, recommended or endorsed any proposal for a transaction other than the transactions hereunder (including a tender or exchange offer for IBP Shares) or (ii) if IBP failed to call the IBP stockholder meeting or failed to mail the IBP Proxy Statement to its stockholders within 20 days after the Merger Form S-4 was declared effective by the SEC or failed to include in such statement the recommendation referred to above; (e) by IBP, if (i) the IBP Board authorized IBP, subject to complying with the terms of the Merger Agreement, to enter into a binding written agreement concerning a transaction that constitutes a Superior Proposal and IBP notified Tyson in writing at least three business days prior to the proposed effectiveness of such termination that it intended to enter into such an agreement, attaching a description of the material terms and conditions thereof and permitted Tyson, within such three business day period to submit a new offer, which would be considered by the Special Committee in good faith (it being understood that IBP would not enter into any such binding agreement during such three-day period) and (ii) IBP prior to such termination paying to Tyson in immediately available funds the Termination Fee (defined below) and the fees required to be paid pursuant to the Merger Agreement; (f) by Tyson, if prior to the acceptance for payment of the IBP Shares under the Offer, there had been a breach by IBP of any representation, warranty, covenant or agreement contained in the Merger Agreement that was not curable and such breach would give rise to a failure of the condition to the Merger Agreement; (g) by IBP, if prior to the acceptance for payment of the IBP Shares under the Offer there had been a breach by Tyson of any representation, warranty, covenant or agreement contained in the Merger Agreement that was not curable and such breach would give rise to a failure of the condition to the Offer (which shall be construed to apply to Tyson); or 33 (h) by either IBP or Tyson if, at a duly held stockholders meeting of IBP or any adjournment thereof at which the Merger Agreement and the Merger were voted upon, the requisite stockholder adoption and approval shall not have been obtained; provided, however, that Tyson would not have the right to terminate the Merger Agreement or abandon the transactions contemplated thereby if IBP Shares were purchased in the Offer. Fees and Expenses Except as otherwise specified below, all fees and expenses incurred in connection with the Merger Agreement and the transactions

contemplated thereby would be paid by the party incurring such expenses. The Merger Agreement provided that if it was terminated under circumstances which would constitute a Payment Event (as defined below), IBP would pay to Tyson (i) if pursuant to clause (x) in the definition of "Payment Event" below, simultaneously with the occurrence of such Payment Event or, if pursuant to clause (y) in the definition of "Payment Event" below, within two business days following such Payment Event, a fee of $15,000,000 (the "Termination Fee") and (ii) a reimbursement payment of $66,500,000, in cash, together with interest thereon, at a rate equal to the London Interbank Offered Rate plus 0.75%, from January 2, 2001 to the date such payment was due pursuant to the Merger Agreement (collectively, the "Reimbursement Payment"), reflecting reimbursement of the amounts advanced by Tyson to IBP on January 2, 2001 and used by IBP to pay the termination fee and the out- of-pocket fees and expenses owed to Rawhide Holdings Corporation under the Rawhide Merger Agreement. The advance was evidenced by a note that, in the event of termination of the Merger Agreement, would be repaid only on the terms set forth in the Merger Agreement with respect to the Reimbursement Payment, and that would survive the consummation of the Merger if the Merger was completed. "Payment Event" means (x) the termination of the Merger Agreement by IBP or Tyson pursuant to subsection (d) or (e) under the section "Termination"; or (y) the termination of the Merger Agreement pursuant to subsection (b), (f) or (h) under the section "Termination", if at the time of such termination (or, in the case of a termination pursuant to subsection (h) under the section "Termination," at the time of the stockholders meeting), there shall have been outstanding an Acquisition Proposal pursuant to which stockholders of IBP would receive cash, securities or other consideration having an aggregate value in excess of $30.00, and within six months of any such termination described in clause (y) above IBP entered into a definitive agreement for or consummated such Acquisition Proposal or another Acquisition Proposal with a higher value than such Acquisition Proposal. Upon the termination of the Merger Agreement under circumstances which would constitute a Payment Event, IBP would reimburse Tyson and its affiliates not later than two business days after demand delivered by Tyson to IBP, the amount of $7,500,000 representing Tyson's fees and expenses (including, without limitation, the fees and expenses of their counsel and investment banking fees) and Tyson would not be required to submit documentation substantiating such fees and expenses. The Merger Agreement provided that Tyson would pay to IBP a fee of $70 million if the Merger Agreement was terminated (i) by Tyson or IBP pursuant to subsection (c) of the section "Termination" or (ii) by IBP pursuant to subsection (b) of the section "Termination" if the inability to close was attributable to there being any law or order enacted or entered that imposed material limitations on Tyson's ability to operate its business, own its assets, accept IBP Shares for payment in the Offer or acquire IBP, provided, however, that, in each case, such termination resulted from any action, suit, proceeding, judgment, writ, injunction, order or decree with respect to any antitrust, competition or trade regulation laws that might be asserted by any governmental entity with respect to the Offer, the Exchange Offer or the Merger. Amendments At any time prior to the Effective Time, the Merger Agreement could be amended by an instrument signed by Tyson, Purchaser and IBP. However, after adoption of the Merger Agreement by the stockholders of IBP, the 34 Merger Agreement could not be amended by any amendment which by law required the further approval of the stockholders of IBP unless the stockholders of IBP had given their approval. The Stipulation The Stipulation provides that except as modified by the Stipulation, the terms of the Merger Agreement remain in full force and effect. The Stipulation modified the Merger Agreement as follows: The Offer The Stipulation provided for the making of the Offer. Purchaser's obligation to accept for payment and pay for IBP Shares tendered pursuant to the Offer was subject to the satisfaction, expiration or waiver of certain conditions in the Merger Agreement. The Exchange Offer and the Cash Election Merger The Stipulation eliminated the provisions in the Merger Agreement requiring Tyson and the Purchaser to commence the Exchange Offer described above under "The Merger Agreement -- The Merger" and eliminated all related provisions from the Merger Agreement. The Stipulation also eliminated the provisions in the Merger Agreement requiring that Tyson, the Purchaser and IBP to effect the Cash Election Merger under the circumstances described above under "The Merger Agreement -- The Merger" and eliminated all related provisions from the Merger Agreement. IBP Representations The Stipulation eliminated all of the representations and warranties of IBP contained in the Merger Agreement, except for IBP's representations and warranties (subject to a disclosure schedule provided by IBP to Tyson) relating to its organization and governmental qualification; its articles of incorporation and bylaws; capitalization; corporate authorizations; absence of conflicts; and required filings and consents. Termination Fee The Stipulation increased the Termination Fee described above under "The Merger Agreement-- Fees and Expenses" from $15,000,000 to $59,000,000. Covenant of Tyson The Stipulation provides that Tyson will not split, combine or reclassify any shares of its capital stock, declare, set aside or

pay any dividend or other distribution in respect of its capital stock except regular quarterly dividends, or, redeem, repurchase or otherwise acquire or offer to redeem, repurchase, or otherwise acquire any of its securities or any securities of its subsidiaries. Covenants of IBP The Stipulation provides that all covenants in the Merger Agreement would remain in full force and effect (subject to a disclosure schedule provided by IBP to Tyson) except as noted in "Stipulation -- Termination Fee", but that only compliance with the covenants relating to Conduct of IBP, Access to Information, Notices of Certain Events 35 and Tax Matters would (subject to a disclosure schedule provided by IBP to Tyson) be a condition to the Offer. See "The Merger Agreement -- Covenants of IBP". Mutual Covenants of Tyson and IBP The Stipulation provides that IBP would commence preparation of the IBP Proxy Statement and Tyson would promptly prepare the Merger Form S-4 and they would cause such documents to be filed with the SEC as promptly as practicable. The IBP Proxy Statement would be mailed to IBP's stockholders of record promptly after the Merger Form S-4 has been declared effective by the SEC and the IBP Shares acquired in the Offer have been registered in the name of Tyson or the Purchaser. IBP would provide to the institutions providing the financing for the Offer such reasonable and customary certificates as are necessary with respect to its historical financial statements in connection with the obtaining of such financing. IBP's compliance with these covenants (subject to a disclosure schedule provided by IBP to Tyson) was a condition to the Offer. Termination The Stipulation provides that the date referred to in (b)(i) above under "The Merger Agreement-- Termination" shall be changed to August 15, 2001. The Stipulation also provides that the termination events described above in (b)(ii), (c) and (f) under "The Merger Agreement-- Termination" are eliminated. Recommendation At a meeting held on June 26, 2001, the IBP Board, by a unanimous vote of those present, determined that the Stipulation was in the best interests of IBP and its stockholders and was the best means to resolve the outstanding issues and disputes relating to the Merger Agreement and to facilitate consummation of the transactions contemplated by the Merger Agreement. All of the IBP Board members were present for the vote, except for Martin A. Massengale, who expressed his support for the Stipulation at the meeting before he excused himself from the meeting. Voting Agreement On January 1, 2001, the Partnership and IBP entered into the Voting Agreement, a copy of which is filed as an exhibit to the Schedule TO, pursuant to which the Partnership agreed to vote all of the shares of Tyson Class B Common Stock that it owns to approve the issuance of Tyson Class A Common Stock with respect to the Exchange Offer and the Merger at Tyson's stockholder meeting. The Partnership owns 102,598,560 shares of Tyson Class B Common Stock representing approximately 90% of the voting power of Tyson, thus assuring Tyson shareholder approval. On June 27, 2001, the Partnership delivered a letter, a copy of which is filed as an exhibit to the Schedule TO, by which the Partnership consented to the Stipulation and confirmed that the terms of the Voting Agreement remained in full force and effect. The written consent referred to in this Information Statement has eliminated the requirement of a Tyson stockholder meeting. CERTAIN LEGAL MATTERS IBP Stockholder and Merger Agreement Litigation in Delaware. Between October 2 and November 1, 2000 fourteen purported class actions were filed in the Delaware Court of Chancery against IBP and the members of the IBP Board, and Rawhide Acquisition Corporation ("Rawhide") and its affiliates, entitled Baruch Mappa v. Richard L. Bond, et 36 al., C.A. No. 18373-NC; Michael Taragin v. Richard L. Bond, et al., C.A. No. 18374-NC; David Shaev v. Rawhide Acquisition Corporation, et al., C.A. No. 18375-NC; Charles Miller v. Richard L. Bond, et al., C.A. No. 18376-NC; Olga Fried v. Richard L. Bond, et al., C.A. No.18377-NC; Peter Robbins v. IBP, inc., et al., C.A. No. 18382-NC; Jerry Krim and Jeffrey Kassoway v. IBP, inc., et al., C.A. No. 18383-NC; Harriet Rand v. Richard L. Bond, et al., C.A. No. 18385-NC; Albert Ominsky v. Richard L. Bond, et al., C.A. No. 18386-NC; Oliver Burt V. Richard L. Bond, et al., C.A. No. 18398-NC; Eric Meyer v. Richard L. Bond, et al., C.A. No. 18399-NC; Louise E. Murray v. Rawhide Acquisition Corporation, et al., C.A. No. 18411-NC; Marvin Masel v. Richard L. Bond, et al., C.A. No. 18413-NC; and Rocco Landesman v. IBP, inc., C.A. No. 18474-NC, alleging that the terms of the Rawhide Agreement were unfair to IBP's stockholders. On November 13, 2000, the Delaware Court of Chancery entered an order consolidating these actions into a single action under the caption In re IBP, inc. Shareholders Litigation, C.A. No. 18373-NC (the "Consolidated Action"). On December 5, 2000, the Delaware Court of Chancery issued an order designating the Landesman complaint as the operative complaint. On January 8, 2001, plaintiffs filed a consolidated amended complaint in the Consolidated Action which added Tyson and Purchaser as defendants and alleged, on behalf of the class of IBP's stockholders, that the proposed transaction between IBP and Tyson was also unfair and had been entered into in breach of the fiduciary duties of IBP's Board, with the complicity of Tyson. Plaintiffs also asserted a derivative claim on behalf of IBP, alleging that its directors wrongfully agreed to the Rawhide Agreement and the termination fee and expense reimbursement provisions therein. On March 29, 2001, Tyson filed an action in

the Chancery Court of Washington County, Arkansas, entitled Tyson Foods, Inc. et al. v. IBP, inc., Case No. E 2001-749-4 (the "Arkansas Lawsuit"), alleging that Tyson had been inappropriately induced to enter into the Merger Agreement and that IBP was in breach of various representations and warranties made in the Merger Agreement. On March 30, 2001, IBP filed an answer to the amended consolidated complaint and a cross-claim (amended on April 2, 2001) against Tyson in the Consolidated Action. As amended, IBP's cross-claim sought a declaration that Tyson could not rescind or terminate the Merger Agreement, specific enforcement of the Merger Agreement and damages for breach of the Confidentiality Agreement. On April 2, 2001, IBP filed amended cross- claims against Tyson to add an alternative claim for damages and a claim for breach of the Confidentiality Agreement. On April 19, 2001, the Delaware Court of Chancery issued a temporary restraining order in the Consolidated Action prohibiting Tyson from proceeding with the Arkansas Lawsuit. On April 23, 2001, Tyson filed an answer and affirmative defenses in the Consolidated Action, denying the material allegations against it and asserting counterclaims (amended on May 3, 2001) against IBP. As amended, the counterclaims asserted claims for fraud, constructive fraud, negligent misrepresentation, material misrepresentation and mistake in connection with the inducement of the Merger Agreement, for breach of representations and warranties in the Merger Agreement, and related declaratory relief. On April 27, 2001, plaintiffs filed a second consolidated and amended complaint in the Consolidated Action seeking declaratory relief and specific performance of Tyson's alleged obligation to consummate the previously commenced and terminated cash tender offer (the "Cash Tender Offer") and asserting a derivative claim against IBP's directors in connection with IBP's payment of the Rawhide termination fee. On May 10, 2001 the Delaware Court of Chancery denied Tyson's motion for partial summary judgment, and dismissed without prejudice IBP's claim for damages for breach of the Confidentiality Agreement. On May 13, 2001, IBP filed a reply and affirmative defenses to the counterclaims which denied the material allegations against it. Following expedited discovery, the Delaware Court of Chancery conducted a nine day trial, beginning on May 14, 2001, on IBP's and the plaintiffs' claims for specific performance with respect to the Cash Tender Offer and the Merger Agreement and Tyson's counterclaims. On June 15, 2001, following expedited post-trial briefing, the Delaware Court of Chancery issued a memorandum opinion, which was issued in revised form on June 18, 2001 (the "Post-Trial Opinion"), in which the Court concluded, among other things, that (1) the Merger Agreement is a valid and enforceable contract that was not induced by any material misrepresentation or omission, (2) Tyson did not breach the Merger Agreement or any duty to IBP's stockholders by failing to close the Cash Tender Offer, (3) Tyson did not have a basis to terminate the Merger Agreement under its terms, and (4) specific performance of the Merger Agreement was the only method by which to adequately redress the harm threatened to IBP and its stockholders. Subsequently, counsel for plaintiffs in the Consolidated Action negotiated with Tyson and IBP in an effort to reach a settlement of the class and derivative claims in the Consolidated Action. Negotiations also took place 37 between IBP and Tyson concerning their respective claims against each other. As a result of these negotiations and in accordance with the Post-Trial Opinion, Tyson and IBP presented an Order, Judgment and Decree to the Delaware Court of Chancery, entered on June 27, 2001, requiring Tyson and its affiliates to specifically perform the Merger Agreement as modified by, and subject to the conditions contained in, the Stipulation, including making this Offer and effecting the Merger. See "The Stipulation". The Stipulation provides that if the Offer is not consummated by August 15, 2001 (or by September 1, 2001, if Tyson has failed to obtain financing to pay for tendered shares by such earlier date) or the Merger is not consummated by November 15, 2001, (a) either IBP or Tyson will be entitled to move the Delaware Court of Chancery for an appropriate remedy including, but not limited to, specific performance of such transactions, specific performance of the Cash Election Merger, and/or damages, and each party will be entitled to oppose any such motion on any appropriate grounds, and (b) IBP will be entitled to move for an award of interest and/or an adjustment to the financial terms of the consideration to be paid to the stockholders on account of what the Delaware Court of Chancery has determined to be Tyson's breach, and Tyson will be entitled to oppose such motion on any appropriate grounds. The Stipulation further provides that nothing other than Tyson's consummation of the Offer and the Merger will be deemed to exculpate Tyson from any liability for breach of the Merger Agreement under the Opinion. The Stipulation states that the Delaware Court of Chancery retains exclusive jurisdiction over the Consolidated Action to assure compliance with the terms of the Order, Judgment and Decree and the Stipulation. Tyson has agreed not to seek to vacate or modify the Delaware Court of Chancery's preliminary injunction dated May 10, 2001 and not to commence any action against IBP arising out of or relating to the Stipulation in any other forum unless and until the Delaware Court of Chancery determines that Tyson is not required to consummate the Offer or IBP moves for an award of interest, an adjustment to the financial terms of

the consideration to be paid to IBP's stockholders and/or damages on account of what such Court has determined to be Tyson's breach of the Merger Agreement. Tyson has agreed that, promptly following consummation of the Offer, it will take all necessary steps to obtain dismissal of the Arkansas Lawsuit. The Order, Judgment and Decree is not currently an appealable order. The Stipulation provides that neither Tyson nor IBP will move for the entry of an appealable order unless and until the Delaware Court determines that Tyson is not required to consummate the Offer or IBP moves for an award of interest, an adjustment to the financial terms of the consideration to be paid to IBP's stockholders and/or damages on account of what the Delaware Court of Chancery has determined to be Tyson's breach of the Merger Agreement. On June 27, 2001, the parties to the Consolidated Action, including the plaintiffs in such action, entered into a stipulation of settlement, subject to approval by the Delaware Court of Chancery (the "Settlement Order"), which provides that: o Tyson has agreed to proceed with the performance of its obligations under the Merger Agreement, as revised by the Stipulation, including making the Offer and effecting the Merger, subject to the terms and conditions set forth in the Merger Agreement as modified by the Stipulation, and without taking an immediate appeal from the rulings in the Post-Trial Opinion; o IBP has agreed to obtain from JP Morgan an updated opinion on the fairness to IBP's stockholders from a financial point of view of the Merger Agreement as modified by the Stipulation; o Tyson and IBP have agreed that plaintiffs' counsel may review and comment upon draft tender offer documents and proxy materials for IBP's stockholders in connection with the Merger; plaintiffs' class claims against all defendants in the Consolidated Action shall be dismissed and plaintiffs' derivative claims on behalf of IBP against all defendants as asserted in the Consolidated Action shall be dismissed; and o all claims that were or could have been asserted in the Consolidated Action shall be extinguished. On August 3, 2001, the Delaware Court of Chancery held a hearing to determine whether the Settlement Order should be approved. After the conclusion of the hearing, the Court entered the Settlement Order in modified form, excluding from the description of claims extinguished by the settlement the securities claims against Tyson and IBP described below. The Court also awarded the plaintiffs' attorneys an award of fees and expenses of $300,000, to be paid by Tyson and IBP. 38 Tyson Stockholder Derivative Litigation. On June 19, 2001, Alan Shapiro, a purported Tyson stockholder, commenced a derivative action on behalf of Tyson seeking monetary damages in the Delaware Court of Chancery. The action, entitled Alan Shapiro v. Barbara R. Allen, et al., C.A. No. 18967-NC, names as individual defendants the members of Tyson's Board of Directors and several current and former Tyson executives. Tyson is named as nominal defendant. The complaint alleges that the individual defendants violated their fiduciary duties by attempting to terminate the Merger Agreement and that as a result, Tyson has been harmed. Tyson and the individual defendants intend to vigorously defend these claims and, on July 17, 2001, filed a motion to dismiss the complaint. A schedule for briefing on the motion to dismiss has not yet been agreed upon by the parties or ordered by the Court. IBP Stockholder Securities Litigation Against Tyson. Between June 22 and July 20, 2001, various plaintiffs commenced purported class actions against Tyson, Don Tyson, John Tyson and Les R. Baledge in the United States District Court for the District of Delaware, seeking monetary damages on behalf of IBP's stockholders. The actions, entitled Meyer v. Tyson Foods, Inc., et al., C.A. No. 01-425 SLR, Banyan Equity Mgt. v. Tyson Foods, Inc. et al., C.A. No. 01-426 GMS, Steiner v. Tyson Foods, Inc., et al., C.A. No. 01-462 GMS, Aetos Corp. et al. v. Tyson, et al., C.A. No. 01-463 GMS, Meyers, et al. v. Tyson Foods, Inc., et al., C.A. No. 01-489, Binsky v. Tyson Foods, Inc., et al., C.A. No. 01-495, and Management Risk Trading LP v. Tyson Foods, Inc., et al., C.A. No. 01-496 assert claims under the Exchange Act. Specifically, they allege that the defendants violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder, and that the individual defendants violated Section 20(a) of the Exchange Act by making, or causing to be made, allegedly false and misleading statements in connection with Tyson's attempted termination of the Merger Agreement. It is alleged that as a result of the defendants' conduct, plaintiffs and other members of the class who sold IBP Shares during the period from March 29, 2001 through June 15, 2001, were harmed. Tyson intends to vigorously defend these claims. Other IBP Stockholder Securities Litigation Against IBP. On November 8, 2000, an action was filed in the United States District Court for the District of South Dakota entitled Teamsters Local Nos. 175 And 505 Pension Trust Fund v. IBP, inc. et al., C.A. No. 00-4211. This complaint named as defendants IBP, each of its directors, DLJ, Archer-Daniels-Midland Company and Booth Creek Partners Limited III, L.L.L.P. Seeking to represent a purported class of IBP's stockholders excluding the defendants, plaintiff alleged that IBP's directors, aided and abetted by the other defendants, breached their fiduciary duties to plaintiffs and the alleged class by (1) entering into the Rawhide Agreement and agreeing to sell IBP at an inadequate price, (2) advancing their personal interests at the expense of IBP's public stockholders and (3) erecting barriers to competing bids, including the termination fee provisions in the

Rawhide Agreement. The Teamsters complaint requested preliminary and permanent injunctive relief against consummation of the Rawhide merger, rescission of the Rawhide merger in the event it was consummated, monetary damages and an award of attorneys' fees. On December 7, 2000, the South Dakota federal district court granted the defendants' motion to stay this action pending resolution of the Consolidated Action and denied as moot the plaintiff's application for a temporary restraining order enjoining the enforcement of the termination fee and "no shop" provisions of the Rawhide Agreement. The Teamsters voluntarily dismissed their action without prejudice in April 2001. On January 11, 2001, a second shareholder lawsuit was commenced in the South Dakota federal district court entitled Reier v. Bond, et al., C.A. No. 01-4010. Purporting to sue derivatively on behalf of IBP, the plaintiff asserted claims against IBP's directors under the federal securities laws and state common law. Plaintiff alleged that defendants caused IBP to file a false and misleading Schedule 14D-9 in response to Tyson's cash tender offer in 39 violation of Section 14(e) of the Exchange Act by, among other things, (i) failing to disclose facts relating to the commercial relationship between JP Morgan and Tyson, (ii) representing that defendants had determined that the Tyson Cash Tender Offer, Exchange Offer and Merger were fair to and in the best interests of IBP, and (iii) including financial projections that understated IBP's revenue, net income and margins in order to justify such determination. Plaintiff further alleged that IBP's directors breached their fiduciary duties by agreeing to the termination fee provisions of the Rawhide Agreement on October 1, 2000 and accepting Tyson's bid on January 1, 2001 even though it offered consideration "substantially below the consideration being offered by another bidder." The complaint sought: (a) declarations that IBP's Schedule 14D-9 violated the federal securities laws and that the Rawhide Agreement and Merger Agreement were entered into in breach of defendants' fiduciary duties; (b) an order directing defendants to exercise their fiduciary duties to obtain a transaction which is in IBP's best interests; (c) compensatory damages of not less than $442 million and punitive damages; and (d) the costs and disbursements of the action, including reasonable attorneys' and experts' fees. On January 30, 2001, defendants moved to stay this action pending resolution of the Consolidated Action and to dismiss the Section 14(e) claim for failure to state a claim on which relief may be granted. The motion remains pending. Between February 12 and April 5, 2001, six lawsuits were filed by certain purported stockholders of IBP in the United States District Court for the District of South Dakota and a seventh suit was filed in the United States District Court for the Southern District of New York against IBP and certain members of IBP's senior management. The actions filed in the United States District Court for the District of South Dakota are captioned Krim v. Iowa Beef Processors, Inc., et al., Meyer v. Iowa Beef Processors, Inc., et al., Dearman v. Iowa Beef Processors, Inc., Mulligan Partners, L.P. et al. v. IBP, inc. et al., Barrie v. Iowa Beef Processors, Inc. et al., and Rourke et al. v. Iowa Beef Processors, Inc. et al. The action in the United States District Court for the Southern District of New York is captioned Gottesman v. Iowa Beef Processors, Inc. et al. These lawsuits each allege that the defendants violated sections 10(b) and 20(a) of the Exchange Act, and Rule 10b-5 promulgated thereunder, by issuing materially false statements about IBP's financial results for 1999 and the first three quarters of 2000. The plaintiffs in these actions seek certification of a class of all persons who purchased IBP common stock between February 7, 2000 and either January 25, 2001 or March 13, 2001. On July 18, 2001, the United States District Court for the District of South Dakota issued an order appointing Tiedemann Investment Group as lead plaintiff under the Private Securities Litigation Reform Act of 1996 for the actions pending in that court and directed Tiedemann Investment Group to file a consolidated amended complaint within 20 days of its receipt of the court's order. The action in the United States District Court for the Southern District of New York was dismissed without prejudice, and the plaintiff in that action has refiled the action in the United States District Court for the District of South Dakota. 40 SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT Certain Beneficial Owners The following table sets forth certain information as of June 30, 2001 regarding the only persons known by Tyson to own, directly or indirectly, more than 5% of Tyson Common Stock: Name and Address of Beneficial Number of Shares Percent of ---------- ---------- ---------- Owner Title of Class Beneficially Owned Class ----- ---------- ---------- ----- Don Tyson and Tyson Limited Class B Common Stock 102,598,560(1) 99.9 Partnership 2210 West Oaklawn Drive Springdale, AR 72762-6999 AXA Financial, Inc. Class A Common Stock 11,865,920(2) 10.1 1290 Avenue of the Americas New York, NY 10104 Mellon Bank N.A. Class A Common Stock 11,193,242(3) 9.5 One Mellon Center, Room 0980 Pittsburgh, PA 15258-0001 Barclays Bank PLC Class A Common Stock 7,903,088(4) 6.7 54 Lombard Street London, England EC3P3AH (1) Includes 750,000 shares of Tyson Class B Common Stock owned of record by Don Tyson, Senior Chairman of the Board of Tyson, and 101,848,560 shares of Tyson Class B Common Stock owned of record by the Tyson Limited Partnership, a Delaware limited partnership (the

"Partnership"). Don Tyson has a 54.3123 combined percentage interest as a general and limited partner in the Partnership and the Estate of Randal Tyson has a 45.062 percentage interest as a limited partner in the Partnership. Barbara A. Tyson, the widow of Randal Tyson and a Director of Tyson, has limited dispositive power with respect to, and is the principal income beneficiary of, the Estate of Randal Tyson. Don Tyson's adult children, including John H. Tyson, Chairman, President and Chief Executive Officer of Tyson, are contingent beneficiaries of such estate. The managing general partner of the Partnership is Don Tyson. The other general partners are Leland E. Tollett, a Director of Tyson; Barbara Tyson; John H. Tyson; James B. Blair and Harry C. Erwin, III. Don Tyson, as managing general partner, has the exclusive right, subject to certain restrictions, to do all things on behalf of the Partnership necessary to manage, conduct, control and operate the Partnership's business, including the right to vote all shares or other securities held by the Partnership, as well as the right to mortgage, pledge or grant security interests in any assets of the Partnership. The Partnership terminates December 31, 2040. Additionally, the Partnership may be dissolved upon the occurrence of certain events, including (i) a written determination by the managing general partner that the projected future revenues of the Partnership will be insufficient to enable payment of costs and expenses, or that such future revenues will be such that continued operation of the Partnership will not be in the best interest of the partners, (ii) an election to dissolve the Partnership by the managing general partner that is approved by the affirmative vote of a majority in percentage interest of all general partners, and (iii) the sale of all or substantially all of the Partnership's assets and properties. The withdrawal of the managing general partner or any other general partner (unless such partner is the sole remaining general partner) will not cause a dissolution of the Partnership. Upon dissolution of the Partnership, each partner, including all limited partners, will receive in cash or otherwise, after payment of 41 creditors, loans from any partner, and return of capital account balances, their respective percentage interests in the Partnership assets. (2) Based solely on information obtained from a Form 13F filed by AXA Financial, Inc. ("AXA") with the SEC on or about May 14, 2001. The foregoing information has been included solely in reliance upon, and without independent investigation of, the disclosures contained in AXA's Form 13F. (3) Based solely on information obtained from a Form 13F filed by Mellon Bank N.A. ("Mellon") with the SEC on or about July 23, 2001. The foregoing information has been included solely in reliance upon, and without independent investigation of, the disclosures contained in Mellon's Form 13F. (4) Based solely on information obtained from a Form 13F filed by Barclays Bank PLC ("Barclays") with the SEC on or about May 31, 2001. The foregoing information has been included solely in reliance upon, and without independent investigation of, the disclosures contained in Barclays' Form 13F. Tyson Common Stock Ownership Of Management The following table sets forth information with respect to the beneficial ownership of Tyson Common Stock, as of June 30, 2001, by Tyson directors, nominees for election as directors, names executive officers and by all director and executive officers as a group: Percent of Shares of Class A Percent of Shares of Class B Outstand- Common Stock Outstanding Common Stock ing Class B Aggregate Name of Beneficial Beneficially Class A Beneficially Common Voting Owner Owned(1) Common Stock Owned(1) Stock Percentage ----- -------- ------------ -------- ----- ---------- Don Tyson(2) 86,060 * 102,598,560 99.9 89.7 Leland E. Tollett(3) 3,259,023 2.8 * Joe F. Starr(4) 2,058,833 1.7 * 42 Donald E. Wray 830,084 * * Gerald M. Johnston 750,435 * * John H. Tyson(3)(4) 644,861 * * Greg W. Lee 221,619 * * Barbara A. Tyson (3) 162,091 * * John S. Lea 111,682 * * William W. Lovette 86,417 * * Shelby D. Massey 35,778 * * Lloyd V. Hackley 11,018 * * Jim Kever 129 * * Barbara Allen 0 * * David A. Jones 0 * * All Directors and 8,819,427 7.5 102,598,560 99.9 90.4 Executive Officers as a Group (28 persons) * Indicates ownership or aggregate voting percentage of less than 1%. (1) Includes beneficial ownership of shares with respect to which voting or investment power may be deemed to be directly or indirectly controlled. Accordingly, the shares shown in the foregoing table include shares owned directly, shares held in such person's accounts under Tyson's Employee Stock Purchase Plan and Retirement Savings Plan, shares owned by certain of the individual's family members and shares held by the individual as a trustee or in a fiduciary or other similar capacity, unless otherwise disclaimed and/or described below. Also includes shares subject to presently exercisable options held by certain named individuals. (2) Includes all shares of Tyson Class B Common Stock owned of record by the Tyson Limited Partnership as described in Footnote 1 to the Certain Beneficial Owners table. (3) Does not include any shares of Class B Common Stock owne of record by the Tyson Limited Partnership of which Leland E. Tollett, John H. Tyson and Barbara Tyson have a general partnership interest. See Footnote 1 to the Certain Beneficial Owners table. (4) Does not include 417,900 shares of Tyson Class A Common Stock held by the Tyson Foundation, a nonprofit charitable organization. Joe F. Starr and John H. Tyson are trustees of the Tyson Foundation and disclaim beneficial ownership of all such shares. 43 AVAILABLE INFORMATION Tyson and IBP file annual, quarterly and

special reports, proxy statements and other information with the SEC under the Exchange Act. You may read and copy this information at the following locations of the SEC: Public Reference Room North East Regional Office Midwest Regional Office 450 Fifth Street, N.W. 7 World Trade Center 500 West Madison Street Room 1024 Suite 1300 Suite 1400 Washington, D.C. 20549 New York, New York 10048 Chicago, Illinois 60661-2511 You may also obtain copies of this information by mail from the Public Reference Section of the SEC, 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549, at prescribed rates. The public may obtain information on the operation of the Public Reference Room by calling the SEC at l-800-SEC-0330. The SEC also maintains a web site that contains reports, proxy statements and other information about issuers, like Tyson and IBP, who file electronically with the SEC. The address of that site is http://www.sec.gov. You can also inspect reports, proxy statements and other information about Tyson at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005. INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE Tyson The following documents heretofore filed by Tyson under the Exchange Act with the SEC are incorporated herein by reference: (1) Tyson's Annual Report on Form 10-K for fiscal years ended September 27, 1997, October 3, 1998 and September 30, 2000; (2) Tyson's Quarterly Reports on Form 10-Q for the period ended April 1, 2000 and March 31, 2001; (3) Tyson's Proxy Statement dated December 8, 2000; and (4) Tyson's Current Report on Form 8-K dated June 18, 2001. IBP The following documents heretofore filed by IBP under the Exchange Act with the SEC are incorporated herein by reference: (1) IBP's Annual Report on Form 10-K for the year ended December 30, 2000; (2) IBP's Quarterly Reports on Form 10-Q for the thirteen weeks ended March 31, 2001; (3) IBP's Proxy Statement dated March 31, 2001; and (4) IBP's Current Reports on Form 8-K dated February 21, March 13 and March 20, 2001. 44 Tyson will provide without charge to each person to whom a copy of this Information Statement has been delivered, on written or oral request, a copy of any and all of the documents referred to above that have been or may be incorporated by reference herein other than exhibits to such documents (unless such exhibits are specifically incorporated by reference herein). Requests will be delivered by first class mail or other equally prompt means within one business day of receipt of such request. Requests for such copies should be directed to: TYSON FOODS, INC., 2210 WEST OAKLAWN DRIVE, SPRINGDALE, ARKANSAS 72762-6999, ATTENTION: OFFICE OF THE CORPORATE SECRETARY, (501) 290-4000 All documents filed by Tyson pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of this Information Statement shall be deemed to be incorporated by reference herein and to be a part hereof from the date of filing of such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Information Statement to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Statement. 45 ANNEX A [LETTERHEAD OF MERRILL LYNCH] January 1, 2001 Board of Directors Tyson Foods, Inc. 2210 West Oaklawn Drive Springdale, Arkansas 72762 Members of the Board of Directors: IBP, inc. (the "Company"), Tyson Foods, Inc. (the "Acquiror") and Lasso Acquisition Corporation, a wholly owned subsidiary of the Acquiror (the "Acquisition Sub"), have entered into an Agreement and Plan of Merger dated as of January 1, 2001 (the "Agreement") pursuant to which (i) the Acquiror and the Acquisition Sub will amend the outstanding tender offer (the "Offer") to acquire 50.1% of the issued and outstanding shares of common stock, par value $.05 per share, of the Company (the "Company Shares"), including Company Shares already owned by the Acquiror, to reflect a purchase price of $30.00 per share net to the seller in cash (the "Cash Consideration"), (ii) the Acquiror and the Acquisition Sub will commence an offer to exchange (the "Exchange Offer") for each Company Share not accepted for payment and paid for in the Offer the number of shares (the "Stock Consideration") of Class A Common Stock, par value $0.10 per share, of the Acquiror (the "Acquiror Shares") equal to the Exchange Offer Ratio (as defined below), and (iii) the Company will be merged with and into the Acquisition Sub in a merger (the "Merger") in which each Company Share not acquired in the Offer and the Exchange Offer, other than Company Shares held in treasury or owned by the Acquiror or any of its subsidiaries, all of which shall be canceled, would be converted into the right to receive the number of Acquiror Shares (the "Merger Consideration," and collectively with the Cash Consideration and the Stock Consideration, taken as a whole, the "Consideration") equal to the Exchange Ratio (as defined below). The Offer, the Exchange Offer and the Merger, taken together, are referred to as the "Transaction." For purposes of our opinion: (i) the term "Exchange Offer Ratio" shall be equal to (a) if the Average Price (as defined below) is equal to or greater than $15.40, 1.948 Acquiror Shares (b) if the Average Price is less than $15.40 and greater than $12.60, the number of

Acquiror Shares equal to $30.00 divided by the Average Price, or (c) if the Average Price is equal to or less than $12.60, 2.381 Acquiror Shares; (ii) the term "Exchange Ratio" shall be equal to (a) if the Average Acquiror Common Stock Price (as defined below) is equal to or greater than $15.40, 1.948 Acquiror Shares, (b) if the Average Acquiror Common Stock Price is less than $15.40 and greater than $12.60, the number of Acquiror Shares equal to $30.00 divided by the Average Acquiror Common Stock Price, or (c) if the Average Acquiror Common Stock Price is equal to or less than $12.60, 2.381 Acquiror Shares; (iii) the term "Average Price" means the average of the closing price per share of the Acquiror Shares on the New York Stock Exchange for the 15 trading days ending on the second trading day immediately preceding the expiration date of the Exchange Offer; and (iv) the term "Average Acquiror Common Stock Price" means the average of the closing price per share of the Acquiror Shares on the New York Stock Exchange for the 15 trading days ending on the fifth trading day immediately preceding the effective date of the merger. You have asked us whether, in our opinion, the Consideration to be paid by the Acquiror pursuant to the Transaction is fair from a financial point of view to the Acquiror. In arriving at the opinion set forth below, we have, among other things: (1) Reviewed certain publicly available business and financial information relating to the Company and the Acquiror that we deemed to be relevant; (2) Reviewed certain information, including financial forecasts, relating to the business, earnings, cash flow, assets, liabilities and prospects of the Company and the Acquiror furnished to us by the Company and the Acquiror, respectively; 46 (3) Conducted discussions with members of senior management and representatives of the Company and the Acquiror concerning the matters described in clauses 1 and 2 above, as well as their respective businesses and prospects before and after giving effect to the Transaction; (4) Reviewed the market prices and valuation multiples for the Company Shares and compared them with those of certain publicly traded companies that we deemed to be relevant; (5) Reviewed the results of operations of the Company and compared them with those of certain publicly traded companies that we deemed to be relevant; (6) Compared the proposed financial terms of the Transaction with the financial terms of certain other transactions that we deemed to be relevant; (7) Participated in certain discussions and negotiations among representatives of the Company and the Acquiror and their financial and legal advisors; (8) Reviewed the potential pro forma impact of the Transaction; (9) Reviewed the Agreement; and (10) Reviewed such other financial studies and analyses and took into account such other matters as we deemed necessary, including our assessment of general economic, market and monetary conditions. In preparing our opinion, we have assumed and relied on the accuracy and completeness of all information supplied or otherwise made available to us, discussed with or reviewed by or for us, or publicly available, and we have not assumed any responsibility for independently verifying such information or undertaken an independent evaluation or appraisal of any of the assets or liabilities of the Company or the Acquiror or been furnished with any such evaluation or appraisal. In addition, we have not assumed any obligation to conduct any physical inspection of the properties or facilities of the Company or the Acquiror. With respect to the financial forecast information furnished to or discussed with us by the Company or the Acquiror, we have assumed that they have been reasonably prepared and reflect the best currently available estimates and judgment of the Company's or the Acquiror's management as to the expected future financial performance of the Company or the Acquiror, as the case may be. We have further assumed that the Offer, the Exchange Offer and the Merger, taken together, will qualify as a tax- free reorganization for U.S. federal income tax purposes. Our opinion is necessarily based upon market, economic and other conditions as they exist and can be evaluated on, and on the information made available to us as of, the date hereof. We have assumed that in the course of obtaining the necessary regulatory or other consents or approvals (contractual or otherwise) for the Transaction, no restrictions, including any divestiture requirements or amendments or modifications, will be imposed that will have a material adverse effect on the contemplated benefits of the Transaction. We are acting as financial advisor to the Acquiror in connection with the Transaction and will receive a fee from the Acquiror for our services, a significant portion of which is contingent upon the acceptance for payment by the Acquiror of Company Shares pursuant to the Offer. In addition, the Acquiror has agreed to indemnify us for certain liabilities arising out of our engagement. We have, in the past, provided financial advisory and financing services to the Acquiror and/or its affiliates and may continue to do so and have received, and may receive, fees for the rendering of such services. In addition, in the ordinary course of our business, we may actively trade the Company Shares and other securities of the Company as well as the Acquiror Shares and other securities of the Acquiror, for our own account and for the accounts of customers and, accordingly, may at any time hold a long or short position in such securities. This opinion is for the use and benefit of the Board of Directors of the Acquiror. Our opinion does not address the merits of the underlying decision by the Acquiror to engage in the Transaction and does not constitute a

recommendation to any shareholder of the Acquiror as to how such shareholder should vote on the issuance of the 47 Acquiror Shares pursuant to the Exchange Offer, the Merger and the transactions contemplated by the Agreement or any matter related thereto. We are not expressing any opinion herein as to the prices at which the Acquiror Shares will trade following the announcement or consummation of the Transaction. On the basis of and subject to the foregoing, we are of the opinion that, as of the date hereof, the Consideration to be paid by the Acquiror pursuant to the Transaction is fair from a financial point of view to the Acquiror. Very truly yours, MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED 48 ANNEX B [LETTERHEAD OF STEPHENS INC.] January 1, 2001 Board of Directors Tyson Foods, Inc. 2210 West Oaklawn Drive Springdale, Arkansas 72762-6999 Ladies and Gentlemen: We have acted as your financial advisor in connection with the proposed merger (the "Transaction") among Tyson Foods, Inc. ("Tyson"), Lasso Acquisition Corporation ("Purchaser"), a wholly-owned subsidiary of Tyson, and IBP, inc. ("IBP" or the "Company"), pursuant to which Tyson will acquire the Company. Among other things, the Agreement and Plan of Merger dated as of January 1, 2001 (the "Merger Agreement") provides for Tyson, through Purchaser, to purchase up to 50.1% of the common stock, par value $.05 per share of IBP (the "IBP Common Stock"), for $30.00 per IBP share in cash. The Merger Agreement also provides for Tyson, through Purchaser, to exchange its Class A Common Stock valued (in accordance with the terms of the Merger Agreement) at $30.00 for each IBP share, subject to adjustment, for all remaining IBP shares not then owned by Tyson. Finally, the Merger Agreement provides for IBP to merge into Purchaser, at which time each remaining IBP share will be converted into the right to receive Tyson Class A Common Stock valued at $30.00, subject to adjustment (the "Merger"). The terms and conditions of the Transaction are more fully set forth in the Merger Agreement. You have requested our opinion as to whether the consideration to be paid pursuant to the Merger Agreement in the aggregate is fair from a financial point of view to Tyson. In connection with rendering our opinion we have: (i) analyzed certain publicly available financial statements and reports regarding the Company and Tyson; (ii) analyzed certain internal financial statements and other financial and operating data (including financial projections) concerning the Company and Tyson prepared by management of the Company and Tyson; (iii) analyzed, on a pro forma basis, the effect of the Transaction on Tyson's balance sheet, capitalization ratios, earnings and book value both in the aggregate and, where applicable, on a per share basis during certain periods; (iv) reviewed the reported prices and trading activity of the IBP Common Stock and Tyson Class A Common Stock; (v) compared the financial performance of the Company and Tyson and the prices and trading activity of the IBP Common Stock and Tyson Class A Common Stock with that of certain other comparable publicly-traded companies and their securities; (vi) reviewed the financial terms, to the extent publicly available, of certain comparable transactions; (vii) reviewed the Merger Agreement and related documents; (viii) discussed with management of Tyson the operations of and future business prospects for the Company and Tyson and the anticipated financial consequences of the Transaction; and 49 (ix) performed such other analyses and provided such other services as we have deemed appropriate. We have relied on the accuracy and completeness of the information and financial data provided to us by Tyson, and our opinion is based upon such information. We have not inquired into the reliability of such information and financial data recognizing that we are rendering only an informed opinion and not an appraisal or certification of value. With respect to the financial projections prepared by management of the Company and Tyson, we have assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the future financial performance of the Company and Tyson. As part of our investment banking business, we regularly issue fairness opinions and are continually engaged in the valuation of companies and their securities in connection with business reorganizations, private placements, negotiated underwritings, mergers and acquisitions and valuations for estate, corporate and other purposes. We are familiar with the Company and Tyson and regularly provide investment banking services to Tyson and issue periodic research reports regarding its business activities and prospects. In the ordinary course of business, Stephens and its affiliates at any time may hold long or short positions, and may trade or otherwise effect transactions as principal or for the accounts of customers, in debt or equity securities or options on securities of the Company and Tyson. Stephens is receiving a fee, and reimbursement of its expenses, in connection with the issuance of this fairness opinion. Based on the foregoing and our general experience as investment bankers, and subject to the qualifications stated herein, we are of the opinion on the date hereof that the consideration to be paid pursuant to the Merger Agreement in the aggregate is fair from a financial point of view to Tyson. This opinion and a summary discussion of our underlying analyses and role as your financial advisor may be included in communications to Tyson's and the Company's shareholders provided that we approve of such disclosures prior to publication. Very truly yours,

STEPHENS INC. 50

Explanation of Responses: 14