

TYSON FOODS INC
 Form 425
 August 28, 2001

Pursuant to Rule 425 under the Securities Act of 1933
and deemed filed pursuant to Rule 14a-12(b)
under the Securities Act of 1934
Subject Company: IBP, inc.
Commission File No. 1-6085
August 28, 2001

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August 27, 2001

Tyson vs. The Competition

- . World's largest supplier of beef, chicken and pork products

Beef		Chicken		Pork	
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Other	31%	Other	51%	Other	46%
IBP	28%	Tyson	23%	IBP	18%
Excel	18%	Gold Kist	9%	Smithfield	18%
ConAgra	17%	Pilgrim's Pride	9%	ConAgra	11%
Farmland	6%	Purdue	8%	Hormel	8%

Source: Cattle Buyers Weekly, Watt's Poultry USA, and National Pork Producers Council

Based on daily slaughter capacity for beef and pork, ready-to-cook pounds of chicken produced and U.S. market share

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Top Customers / Key Relationships

Foodservice		International
Nat'l Accounts	Distributorships	Markets

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Tricon	Sysco	Japan
Subway	Alliant	Mexico
McDonald's	UniPro	China
Burger King	US Foodservice	Russia
Outback	Gordons	Puerto Rico
Dominos	Royal Ahold	Canada
Chicken Patties & filets		Chicken leg quarters
Chicken nuggets & strips	School Foodservice	Chicken paws
Chicken wings	Healthcare	Chicken wing tips
Pizza toppings	College & University	Chicken dark meat
Taco meat	Independent Operators	Fresh beef & pork
Portion-controlled beef & pork	Business & Industry	Hides
Deli-style meats		Variety Meats

Retail

----- Chains -----

Kroger
Wal*Mart
Food Lion
H E Butt
Wakefern
Fleming
|
|_____

----- Club Stores -----

Sam's
Costco
BJ's
|
|
|
|

Fresh meats	Beef, chicken & pork
Frozen meats	IFF Chicken steaks & chops
Case-ready	Beef & port
Frozen grocery	Breaded chicken & kits
Dry grocery	Canned chicken

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Consumer Brand Awareness

Tyson - the Coca-Cola/TM/ of Chicken

-
- o Coca-Cola - 48% (soft drinks)
 - o Tyson - 47% (chicken)

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o Pillsbury - 44% (baked goods)

o Uncle Ben's - 33% (rice)

With our target audience, Tyson top-of-mind awareness has increased 6 points over the last year.

Source: CRI Tracking Study, September 2000

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Brands

[LOGO] ibp (R)	[LOGO] The Bruss Company	[LOGO] Wright (R)	[LOGO] Butcher Boy Brand (R)	[LOGO] Thomas E. Wilson
[LOGO] Casino Chef	[LOGO] ITC McCARTY FOODS (R)	[LOGO] Cobb Fred's	[LOGO] MEXICAN ORIGINAL	
[LOGO] Weaver (R)	[LOGO] Wilton Foods (R)	[LOGO] Tyson (R)	[LOGO] Reuben (R)	[LOGO] Lady Aster (R)
[LOGO] Wilson's Continental Deli (R)	[LOGO] DOSKOCIL FOODS (R)	[LOGO] Jordan's/TM/ Jose Ole/TM/ Little Juan (R)	[LOGO] jac pac foods	[LOGO] Wilson/TM/ [LOGO] BARNEY'S (U)
[LOGO] Our American Favorite	[LOGO] Foodbrands America	[LOGO] Rotanelli's (R)	[LOGO] IOWA HAM	[LOGO] PtK Mallard's TNT Crust
[LOGO] Fresh Cuts	[LOGO] Russer	[LOGO] POSADA (R)	[LOGO] MARQUEZ (R)	[LOGO] Restauranic/TM/

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Non-Core Business Analysis

. Tyson is evaluating businesses that don't fit the new company in order to identify potential divestiture candidates.

. Tyson's evaluation is based on:

|X| ROIC and cash generation capabilities of on-going business

|X| Potential net cash proceeds from sale

|X| Relationships to core businesses - beef, chicken and pork

|X| Impact on key customers

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Integration Plan

Significant "hard dollar" synergies by 2004

. Transportation and logistics cost savings	\$20 Million
. Integration of G&A functions (including Foodbrands) into a shared services infrastructure	\$30-40 Million
. Consolidated purchasing (I.e. strategic sourcing of non-grain / non-livestock items)	\$150 Million
. Elimination of redundant capex	\$15 Million

Note: Excludes revenue synergies

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Management

[PHOTO] John Tyson, 47, was named Chairman of the Board in 1998 and assumed

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responsibilities as Chief Executive Officer in April 2000. He had served as Vice Chairman since 1997 and as President of the Company's Beef and Pork division since 1993. Mr. Tyson has been a member of the board since 1984.

[PHOTO] Greg Lee, 53, was named Foodservice and International Group President and Co-Chief Operating Officer of Tyson Foods in August 2001. He had previously served as the company's Chief Operating Officer since 1999. Prior to that, Mr. Lee served in several other management positions, including President of the Food Service Division and Executive Vice President of Sales, Marketing, R&D and Quality Assurance.

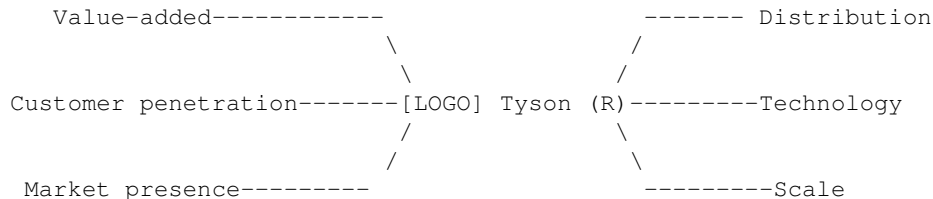
[PHOTO] Dick Bond, 53, was named Fresh Meats and Retail Group President and Co-Chief Operating Officer of Tyson Foods in August 2001. He had previously served as an IBP President, and Chief Operating Officer since 1997. Prior to that, Mr. Bond served in several other management positions, including President of IBP's Fresh Meats Division, Vice President-Boxed Beef Sales, and Group Vice President-Beef Sales and Marketing.

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Competitive Advantages



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Key Operating Strengths

- . Tyson and IBP are the undeniable leaders in their respective segments
- . The combined company has unrivalled scale and a diverse range of product offerings
- . Tyson has successfully developed one of the most recognized and valuable brands in the food industry

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- . IBP is establishing the first "national branded" red meat initiative
- . Tyson has the premier frozen warehouse and distribution system in the country delivering to every market in the U.S. a minimum of twice per week
- . IBP, with its four new forward warehouses, will have the greatest nationwide refrigerated distribution capability in the industry

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Compelling Strategic Rationale

Point-in-time opportunity to combine the unique talents of two industry leaders,

more than triple revenue and have a positive impact on earnings.

- . World's largest marketer of chicken, beef and pork
- . Even stronger penetration across all distribution channels:
 - |X| Foodservice, retail and club stores
- . Improved customer relationships and ability to manage the entire meat case

- . Uniquely positioned to develop innovative, branded and value-added products in chicken, beef and pork
 - |X| Shifting its portfolio mix from commodity products
 - |X| Capturing incremental margin
- . Significant cost savings

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Transaction Summary

	in millions except per share
IBP shares outstanding	106.0
New Tyson shares issued (52.9 x 2.381)	125.956
Tyson closing stock price (Friday 8/24/01)	\$ 10.21
Value of stock consideration (125.956 x \$10.21)	\$ 1,286

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Value of cash consideration (52.538 x \$30)	1,576

Total consideration	\$ 2,862
	=====
Total Consideration per share (\$2,862 / 106 = \$27.00 per share)	\$ 2,862
IBP debt assumed	1,705

Transaction value	\$ 4,567
	=====

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Forward-Looking Statements

Certain statements contained in this communication are "forward-looking statements," such as statements relating to future events and the proposed Tyson merger with IBP. These forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from historical experience or from future results expressed or implied by such forward-looking statements. Among the factors that may cause actual results to differ materially from those expressed in, or implied by, the statements are the following: (i) the risk that Tyson and IBP will not successfully integrate their combined operations; (ii) the risk that Tyson and IBP will not realize estimated synergies; (iii) unknown costs relating to the proposed merger; (iv) risks associated with the availability and costs of financing, including cost increases due to rising interest rates; (v) fluctuations in the cost and availability of raw materials, such as feed grain costs; (vi) changes in the availability and relative costs of labor and contract growers; (vii) market conditions for finished products, including the supply and pricing of alternative proteins; (viii) effectiveness of advertising and marketing programs; (ix) changes in regulations and laws, including changes in accounting standards, environmental laws, and occupational, health and safety laws; (x) access to foreign markets together with foreign economic conditions, including currency fluctuations; (xi) the effect of, or changes in, general economic conditions; and (xii) adverse results from on-going litigation. Tyson undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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Important Information

MORE DETAILED INFORMATION PERTAINING TO TYSON'S PROPOSED MERGER WITH IBP WILL BE

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SET FORTH IN APPROPRIATE FILINGS MADE, OR TO BE MADE WITH THE SECURITIES AND EXCHANGE COMMISSION ("SEC"), IF AND WHEN MADE. SHAREHOLDERS ARE URGED TO READ ANY RELEVANT DOCUMENTS THAT ARE CURRENTLY FILED OR MAY BE FILED WITH THE SEC BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. SHAREHOLDERS WILL BE ABLE TO OBTAIN A FREE COPY OF ANY FILINGS CONTAINING INFORMATION ABOUT TYSON, LASSO AND IBP, WITHOUT CHARGE, AT THE SEC'S INTERNET SITE ([HTTP://WWW.SEC.GOV](http://www.sec.gov)). COPIES OF ANY FILINGS CONTAINING INFORMATION ABOUT TYSON CAN ALSO BE OBTAINED, WITHOUT CHARGE, BY DIRECTING A REQUEST TO TYSON FOODS, INC., 2210 WEST OAKLAWN DRIVE, SPRINGDALE, ARKANSAS 72762-6999, ATTENTION: OFFICE OF THE CORPORATE SECRETARY (501) 290-4000.

Tyson and certain other persons named below may be deemed to be participants in the solicitation of proxies. The participants in this solicitation may include the directors and executive officers of Tyson. A detailed list of the names of Tyson's directors and officers is contained in Tyson's proxy statement for its 2001 annual meeting, which may be obtained without charge at the SEC's Internet site (<http://www.sec.gov>) or by directing a request to Tyson at the address provided above.

As of the date of this communication, except as disclosed in the Schedule 13D filed by Tyson, Lasso, The Tyson Limited Partnership and Don Tyson on August 14, 2001, none of the foregoing participants individually beneficially owns in excess of 5% of IBP's common stock. Except as disclosed above and in Tyson's proxy statement for its 2001 annual meeting and other documents filed with the SEC, to the knowledge of Tyson, none of the directors or executive officers of Tyson has any material interest, direct or indirect, by security holdings or otherwise, in Tyson or IBP.

This communication is not an offer to purchase shares of IBP, nor is it an offer to sell shares of Tyson Class A common stock which may be issued in any proposed merger with IBP. Any issuance of Tyson Class A common stock in any proposed merger with IBP would have to be registered under the Securities Act of 1933, as amended and such Tyson stock would be offered only by means of a prospectus complying with the Act.

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