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 HD **DATAROOM; Fulida mulls stake in Wellard IPO**
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China's \$4.2 billion Fulida Group is expected to cornerstone the \$500 million-plus float of Wellard, Australia's biggest livestock exporter later this year, as the two companies move to deepen ties ahead of the ratification of the China free trade agreement.

Fulida mulls stake in Wellard IPO

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News of the potential equity stake in the Freemantle-based agribusiness follows last month's decision to form a partnership — the Wellard Joint Venture — aimed at capitalising on the new \$1bn trade in live cattle between China and Australia.

Injecting cash into Wellard's IPO would also deliver Fulida a direct stake in the WA business and reduce the targeted raising from market investors to less than \$200m, according to sources.

UBS, the sole lead manager to the float, has already sounded out fund managers about the business in a non-deal roadshow conducted in July. At the time, the bank told investors to expect a raise of between \$200m and \$300m.

Yet just as Fulida is mulling an investment in the IPO, anxiety is mounting over the future of the FTA, with Wellard's Mauro Balzarini this week urging Labor to support the bill's passage through parliament. He claimed if the agreement was delayed beyond Christmas, it would imperil Wellard's JV with Fulida.

The Perth-based Balzarini family is the controlling shareholder in Wellard, founded by Italian butcher Emilio Balzarini in 1979.

It is not clear how much of the business the family intends to selldown to public markets, but sources claimed market capitalisation would be between \$500m and \$700m.

Elsewhere, the non-deal roadshow to the \$1bn float of I-MED, Australia's largest radiology company, is expected to roll into Asia next week after receiving a warm welcome from investors in Australia and New Zealand.

The move offshore comes as Integral Diagnostics, a smaller player in the sector, accelerates towards the boards, with the release this week of broker research from UBS and Morgan Stanley.

Both IPOs are expected to draw strong support as investors flock to the sector for its steady revenue growth generated by the ageing population and an increasing reliance on diagnostics.

Macquarie and Goldman Sachs are joint lead managers to I-MED, which is backed by Swedish private equity firm EQT.

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IPD trade agreement

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