

MALLESON'S STEPHEN JAQUES

22 July 2002

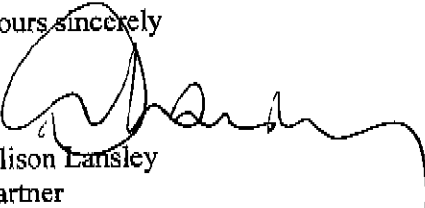
Mr James Gerraty
Manager, Companies
Australian Stock Exchange
Limited
530 Collins Street
Melbourne Vic 3000

Dear Mr Gerraty

Bidder's statement

We act for ABN AMRO Capital Australia Pty Ltd ("ABN AMRO"). In accordance with item 5 of section 633(1) of the Corporations Act 2001 (Cth), we enclose a copy of the bidder's statement and offer document in relation to the proposed takeover bid by ABN AMRO for all the issued ordinary shares in AUSDOC Group Limited.

Yours sincerely



Alison Lansley

Partner

Direct line +61 3 9643 4187

Fax (61 3) 9643 5999

Email alison.lansley@malleasons.com

Bidder's Statement by

ABN AMRO Capital Australia Pty Ltd

(ACN 101 229 976)

a wholly owned subsidiary of



ABN AMRO

ABN AMRO Capital (Belgium) N.V.

and Target's Statement by



AUSDOC Group Limited

(ABN 61 005 482 913)

RECOMMENDED \$2.15 CASH OFFER

The directors of AUSDOC Group Limited unanimously recommend that you accept the Offer to purchase all your fully paid ordinary shares in AUSDOC Group Limited for \$2.15 cash per share, in the absence of a higher offer

The Offer is dated 22 July 2002 and will close at 7:00pm (Melbourne time) on 23 August 2002, unless extended

Financial Advisers to
ABN AMRO Capital



ABN AMRO

UTCHESON & CO

Legal Adviser to
ABN AMRO Capital

MALLESONS STEPHEN JAKES

Financial Adviser to
AUSDOC Group Limited

 **UBS Warburg**

Legal Adviser to
AUSDOC Group Limited

Deacons

**THIS IS AN IMPORTANT
DOCUMENT AND REQUIRES
YOUR IMMEDIATE ATTENTION**

If you do not understand its
contents or are not sure what
to do, please consult your
stockbroker or financial or
legal adviser immediately

Corporate Directory

ABN AMRO Capital (Belgium) N.V.

Regentlaan 3
1000 Brussels
Belgium

ABN AMRO Capital Australia Pty Ltd

ABN AMRO Tower
Level 5
88-94 Phillip Street
Sydney New South Wales 2000

Financial Advisers to ABN AMRO Capital

ABN AMRO Corporate Finance
Level 27
367 Collins Street
Melbourne Victoria 3000

HUTCHESON & CO

Level 2
443 Little Collins Street
Melbourne Victoria 3000

Legal Adviser to ABN AMRO Capital

Mallesons Stephen Jacques
Level 28 Rialto
525 Collins Street
Melbourne Victoria 3000

AUSDOC Group Limited

477 Plummer Street
Port Melbourne Victoria 3207

Share Registry

ASX Perpetual Registrars Limited
Level 4
232 Collins Street
Melbourne Victoria 3000

Financial Adviser to AUSDOC

UBS Warburg
Level 3
530 Collins Street
Melbourne Victoria 3000

Legal Adviser to AUSDOC

Dedons
Level 24
385 Bourke Street
Melbourne Victoria 3000

If you have any queries about the Offer, please call the AUSDOC Shareholder Information Line on 1300 304 778 (international callers dial +61 2 9240 7537).

Defined Terms

A number of terms are capitalised in this booklet. Unless the contrary intention appears or the context requires otherwise, these capitalised terms are defined terms and their meaning is as set out in the Glossary in part 5 of this booklet.

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22 July 2002

Dear AUSDOC Shareholder

Following an extensive sale process announced by AUSDOC on 19 December 2001, **ABN AMRO Capital Australia Pty Ltd is offering you \$2.15 cash for each of your AUSDOC Shares.**

Your Directors unanimously recommend that you accept the Offer for all your AUSDOC Shares, in the absence of a higher offer.

The main reasons for your Directors' recommendation are:

- your Directors believe the Offer provides fair value for your AUSDOC Shares having regard to the operations, current and expected future earnings, financial position and risk profile of AUSDOC;
- the Offer represents a substantial premium to the AUSDOC Share price prior to the announcement of the AUSDOC sale process; and
- the AUSDOC sale process has been conducted in an open and competitive manner and numerous parties have conducted due diligence in relation to AUSDOC and its business units. The Offer is being made at the end of this competitive sale process. Accordingly, at this time, your Directors believe that the Offer represents the best means for AUSDOC Shareholders to realise value for their shares.

Each of the Directors intends to accept the Offer in respect of their AUSDOC Shares, in the absence of a higher offer.

In assessing whether or not to accept the Offer you should consider your own personal circumstances and be aware that the Offer is subject to a number of conditions, including a 90% minimum acceptance condition. The Offer can only succeed if all the Offer Conditions are satisfied or waived prior to the expiry of the Offer Period.

Further details, including the reasons for your Directors' recommendation to accept the Offer, are set out in the Target's Statement in part 4 of this booklet. You should consider the material in the Target's Statement carefully before taking any action in relation to the Offer.

The Offer is open for acceptance until 7:00pm (Melbourne time) on 23 August 2002, unless extended by the Bidder. To accept the Offer you should follow the instructions detailed on the green Acceptance Form enclosed with this booklet.

If you have any queries in relation to the Offer, or the reasons for your Directors' recommendation, please contact the AUSDOC Shareholder Information Line on 1300 304 778 (international callers dial +61 2 9240 7537).

Yours sincerely

A handwritten signature in dark ink, appearing to read "Michael Butler", written in a cursive style.

Michael Butler
Chairman
AUSDOC Group Limited

AUSDOC GROUP LIMITED

ACN 005 482 913

477 Plummer Street, Port Melbourne, Victoria, Australia 3207

GPO Box 259C, Melbourne, Victoria, Australia 3001

Telephone (03) 9676 1222 Facsimile (03) 9676 1209

AUSDOC DX 1 Melbourne

Offer Summary

This summary provides an overview of the Offer by the Bidder for your AUSDOC Shares. You should read it in conjunction with the Bidder's Statement and the Target's Statement contained in this booklet.

Who is making the Offer?

ABN AMRO Capital Australia Pty Ltd ("Bidder"), a wholly owned subsidiary of ABN AMRO Capital (Belgium) N.V., is offering to acquire all your AUSDOC Shares.

What is the Offer price?

The Offer price is \$2.15 cash for each of your AUSDOC Shares. You will not pay brokerage or stamp duty if you accept the Offer.

When will the Offer close?

The Offer will close at 7:00 pm (Melbourne time) on 23 August 2002, unless extended.

How do I accept the Offer?

There are several ways to accept the Offer. The way you should accept depends on the nature of your shareholding.

Issuer Sponsored Holdings

If your AUSDOC Shares are held in an Issuer Sponsored Holding (as indicated by "Issuer Sponsored" appearing below your holder number and next to "subregister" on the enclosed green Acceptance Form), you must complete, execute and send or deliver the Acceptance Form in accordance with the instructions on it so that it is received by the Bidder before the end of the Offer Period.

CHESS Holdings

If your AUSDOC Shares are held in a CHESS Holding (as indicated by "CHESS" appearing below your holder number and next to "subregister" on the enclosed green Acceptance Form), you may accept the Offer by:

- completing, executing and sending or delivering the enclosed Acceptance Form in accordance with the instructions on it so that it is received by the Bidder; or
- instructing your broker to initiate acceptance of the Offer on your behalf, before the end of the Offer Period.

Brokers and Non-Broker Participants

If you are a Broker or a Non-Broker Participant, acceptance of the Offer must be initiated in accordance with Rule 16.3 of the SCH Business Rules before the end of the Offer Period.

Please refer to section 4.4 of the Bidder's Statement and the Acceptance Form for further details of how to accept the Offer.

What happens if I accept?

If the Offer becomes or is declared unconditional, you will receive \$2.15 cash for each of your AUSDOC Shares.

Once you accept the Offer (even while it remains subject to any Offer Conditions) you will not be able to sell your AUSDOC Shares on market, accept any other offer or otherwise deal with your AUSDOC Shares, subject to your limited statutory rights to withdraw your acceptance.

You may only withdraw your acceptance of the Offer if the Offer is varied in such a way as to delay the time by which you would receive payment by more than one month. This will occur if the Offer Period is extended by more than one month and the Offer is still subject to any Offer Conditions.

If I accept the Offer, when will I be paid?

You will be paid on or before the earlier of:

- one month after the date you accept the Offer and the Offer becomes or is declared unconditional; and
- 21 days after the end of the Offer Period if the Offer becomes or is declared unconditional and you have accepted the Offer.

What are the conditions of the Offer?

The Offer is subject to a number of conditions as set out in full in section 4.11 of the Bidder's Statement, including:

- the Bidder and its associates acquiring a relevant interest in at least 90% (by number) of the AUSDOC Shares;
- no material adverse change in the financial performance or position of AUSDOC;
- execution of binding documentation regarding the proposed Sydney Premises Consolidation of AIM Business warehouse sites; and
- completion of the closure of the GoMail Aggregation Business.

What happens if I do not accept?

You will remain an AUSDOC Shareholder and will not receive the consideration offered by the Bidder. If the Bidder becomes entitled to compulsorily acquire your AUSDOC Shares, it intends to do so. If your AUSDOC Shares are compulsorily acquired by the Bidder, it will be on the same terms (including the same consideration for each AUSDOC Share acquired) as the Offer. However, you will receive the money later than the AUSDOC Shareholders who choose to accept the Offer.

If the Bidder does not become entitled to compulsorily acquire your AUSDOC Shares, you will remain an AUSDOC Shareholder.

What if I require further information or assistance?

If you have any questions regarding the Offer, please refer to the Bidder's Statement and the Target's Statement or call the AUSDOC Shareholder Information Line on 1300 304 778 (international callers dial +61 2 9240 7537).

If you require further assistance, you should contact your stockbroker or financial or legal adviser immediately.

IMPORTANT NOTICE

The information in this part is only a summary of the Offer and should not be read in substitution for the detailed information set out in the remainder of this booklet.

You should read the Bidder's Statement (set out in part 3 of this booklet) and the Target's Statement (set out in part 4 of this booklet) carefully and in full before deciding whether to accept the Offer.

Offer Summary

Why you should accept the Offer

THE OFFER IS RECOMMENDED BY AUSDOC'S DIRECTORS

Your Directors unanimously recommend that you accept the Offer, in the absence of a higher offer.

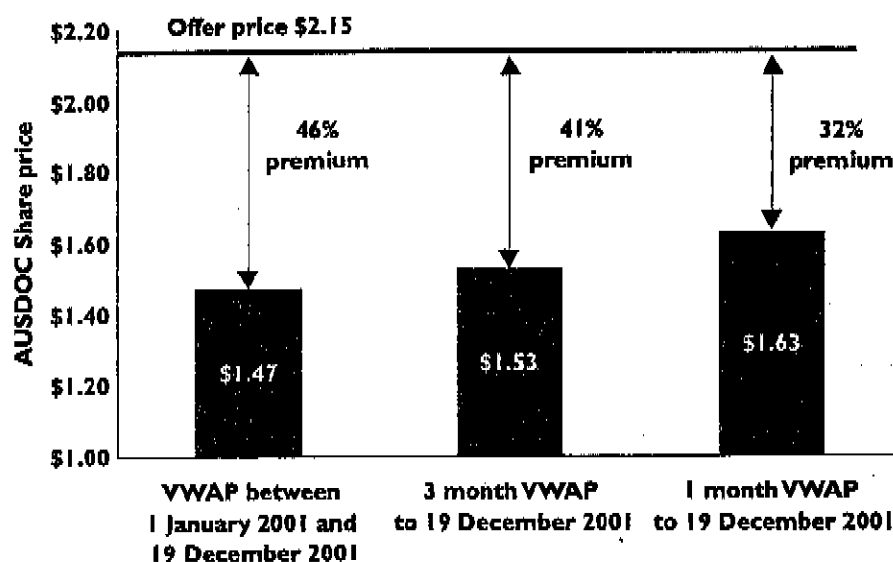
Each of your Directors intends to accept the Offer in respect of their AUSDOC Shares, in the absence of a higher offer. Collectively, your Directors and their associates hold approximately 15% of all AUSDOC Shares.

THE OFFER REPRESENTS FAIR VALUE

The AUSDOC Board considers that the Offer represents fair value for your AUSDOC Shares, having regard to the operations, current and expected future earnings, financial position and risk profile of AUSDOC.

THE OFFER REPRESENTS A SUBSTANTIAL PREMIUM

The Offer of \$2.15 cash for each of your AUSDOC Shares represents a substantial premium to the AUSDOC Share price prior to the announcement of the AUSDOC sale process.



- Notes:
1. The premiums set out above are referenced with respect to 19 December 2001, the date of the announcement of the AUSDOC sale process.
 2. VWAP means volume weighted average price of AUSDOC Shares on ASX.

AN EXTENSIVE SALE PROCESS HAS DELIVERED VALUE TO AUSDOC SHAREHOLDERS

In late 2001, the AUSDOC Board determined that it was in the best interests of AUSDOC Shareholders to seek expressions of interest in relation to both the acquisition of AUSDOC as a whole and/or its individual business units.

Following an extensive sale process involving a number of potential acquirers, ABN AMRO Capital was selected by the AUSDOC Board as the preferred bidder for all AUSDOC Shares, and the Offer as the preferred means of delivering value to AUSDOC Shareholders.

Why you should accept the Offer

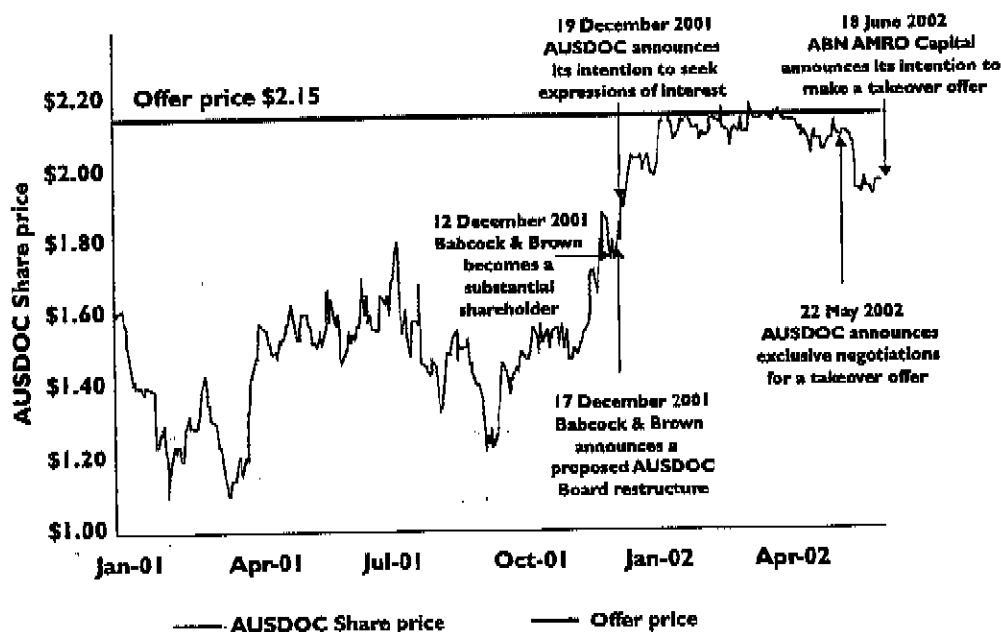
THERE IS NO HIGHER OFFER

At this time, AUSDOC is not aware of any party intending to make an offer for AUSDOC Shares which is higher than the Offer.

THERE IS A RISK THAT AUSDOC'S SHARE PRICE MAY FALL

Following the announcement of the AUSDOC sale process on 19 December 2001, there has been market speculation regarding the possible outcomes of the sale process. It is likely that the AUSDOC Share price currently incorporates some effects of that speculation.

Accordingly, while there are many factors that may influence the market price of AUSDOC Shares, if the Offer does not succeed, there is a risk that the AUSDOC Share price may fall.



AUSDOC'S ABILITY TO PAY FRANKED DIVIDENDS IS LIMITED

As at 30 June 2002, AUSDOC had no franking credits available for distribution and negative retained earnings. Accordingly, AUSDOC will only be able to pay dividends sourced from future earnings and it is unlikely that any dividends will be franked during the year ending 30 June 2003. Further, as a significant proportion of AUSDOC's earnings will be sourced from New Zealand on an ongoing basis, AUSDOC's future ability to fully frank dividends may be limited.

IT IS A STRAIGHT FORWARD CASH OFFER

By accepting the Offer, you will receive \$2.15 cash for each of your AUSDOC Shares if the Offer becomes or is declared unconditional. You will not pay any brokerage or stamp duty if you accept the Offer.

Bidder's Statement

This Bidder's Statement is given by ABN AMRO Capital Australia Pty Ltd (ACN 101 229 976) to AUSDOC Group Limited (ABN 61 005 482 913) under Part 6.5 of the Corporations Act and sets out certain disclosures required by the Corporations Act together with the terms of the Offer to acquire your AUSDOC Shares.

This Bidder's Statement is dated 22 July 2002 and has been approved by a resolution passed by the directors of the Bidder on 17 July 2002. It includes an Offer dated 22 July 2002 on the terms set out in section 4.

A copy of this Bidder's Statement was lodged with ASIC on 22 July 2002. Neither ASIC nor any of its officers takes any responsibility for the content of this Bidder's Statement.

The Target's Statement in part 4 of this booklet was prepared by AUSDOC. None of the Bidder, ABN AMRO Capital or any of their associates takes any responsibility for the content of the Target's Statement.

Terms used in this Bidder's Statement are defined in the Glossary in part 5 of this booklet.



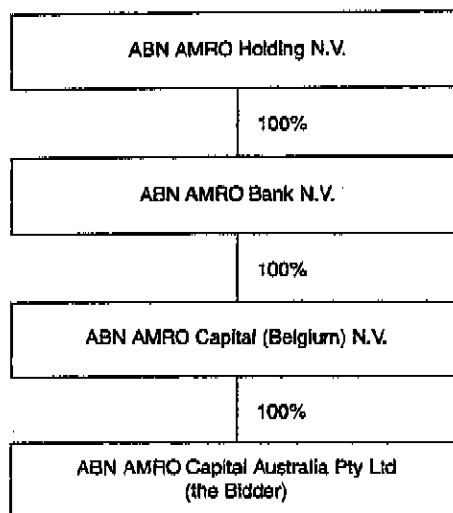


I Details of ABN AMRO

I.1 Introduction

The Bidder is wholly-owned by ABN AMRO through ABN AMRO Bank and ABN AMRO Capital. ABN AMRO Capital is a member of the group of companies which operates the private equity business of ABN AMRO under the trading name of "ABN AMRO Capital". This section sets out the details of ABN AMRO, ABN AMRO Capital and the Bidder.

The following diagram represents the relationship between the companies:



I.2 ABN AMRO

ABN AMRO is a Netherlands-based financial institution with operations throughout the world. Its origins date back to 1824. ABN AMRO was formed following a merger of the Algemene Bank Nederland (ABN) with the Amsterdam-Rotterdam Bank (AMRO) in 1991.

ABN AMRO is currently the eighth largest bank in Europe and the seventeenth largest in the world based on tier 1 capital. It has over 3,400 branches in more than 60 countries and employs a global workforce of over 110,000 full-time (or equivalent) employees.

ABN AMRO is listed on the stock exchanges of Amsterdam, London, New York, Brussels, Düsseldorf, Frankfurt, Hamburg, Paris, Singapore and Zurich. Its ordinary shares are included in major world indices.

The principal activities of ABN AMRO are carried out through its wholly owned subsidiary, ABN AMRO Bank. ABN AMRO Bank has three major business units:

- Wholesale Clients: provides investment and corporate banking services to major international corporations and institutions in over 45 countries with approximately 10,000 clients;
- Consumer and Commercial Clients: offers day-to-day banking services to individuals and small to medium-sized businesses, servicing approximately 15 million clients, predominantly in the Netherlands, the mid-west of the USA and Brazil; and
- Private Clients and Asset Management: services high net worth individuals and institutional investors, with €172 billion of assets under management.

ABN AMRO has maintained a presence in Australia since the early 1970s and currently employs over 750 full-time (or equivalent) employees in Australia and New Zealand.

Bidder's Statement

The following table summarises some of the important financial details of ABN AMRO as set out in its most recent consolidated financial statements for the year to 31 December 2001:

Item	Amount
Total revenue	€18.8 billion Approximately A\$33.7 billion
Net profit	€3.2 billion Approximately A\$5.7 billion
Total assets	€597.4 billion Approximately A\$1,071.0 billion
Group capital	€34.0 billion Approximately A\$61.0 billion

Currency exchange rates are as at 16 July 2002.

1.3 ABN AMRO Capital

ABN AMRO Capital is part of the private equity arm of ABN AMRO, which is a leading provider of equity capital in Australia and throughout the world. It specialises in buy-in and buy-out capital, pre-IPO funding and expansion capital. As an equity investor, ABN AMRO Capital generally has an investment horizon of between three and five years. This period may be shorter or longer depending on the particular circumstances relating to an individual investment.

ABN AMRO Capital's aim is to identify and make investments in established companies with capable management and a viable business. While ABN AMRO Capital considers that it can contribute significant value to the strategic direction of an established business through representation on the board of directors, it is not its policy to become involved in the day-to-day management of the companies in which it invests. This strategy enables it to most effectively combine its financing and investing skills with management's detailed knowledge of the relevant industry, business and company.

ABN AMRO Capital seeks to generate a return on its investment by:

- bringing its significant experience and expertise in finance and strategic planning to the board of directors;
- drawing upon its international relationship network, financial resources (including a full suite of financial products) and access to international capital markets;
- identifying potential new markets and growth opportunities available to the business; and
- continually reviewing and, if necessary, modifying and restructuring, the strategy and operations of the business to ensure that it optimises the use of its capital.

The process of optimising the business and operational performance of a company necessarily involves change. As an equity investor, it will generally be necessary for ABN AMRO Capital to conduct a detailed review of the business and operations of its investment to identify the areas in which change is required. This is particularly the case where it has not previously been an investor in the relevant industry. After conducting a review, ABN AMRO Capital will seek to implement necessary change with the assistance of existing management.

1.4 The Bidder

The Bidder was incorporated for the specific purpose of making the Offer. The Bidder has no trading or financial history and its principal activity is to acquire AUSDOC Shares pursuant to the terms and conditions of the Offer (as set out in section 4).



The directors of the Bidder are:

Name	Occupation
Steven Crane	Chief Executive, ABN AMRO Australia
Gerben Kuijper	Global Head of Private Equity, ABN AMRO Bank
Markus Staal	Head of Pan-European Buy-outs, ABN AMRO Bank

2 The Bidder's intentions

2.1 Introduction

This section sets out the Bidder's intentions regarding:

- (a) the continuation of the businesses of AUSDOC;
- (b) any major changes to be made to the business of AUSDOC, including any redeployment of the fixed assets of AUSDOC; and
- (c) the future employment of the present employees of AUSDOC,

on the basis of the facts and information concerning AUSDOC which are known to the Bidder at the date of this Bidder's Statement.

Final decisions on the above matters will be made on the basis of the material facts, information and circumstances concerning AUSDOC which are known to the Bidder at the relevant time, and any legal, tax and financial advice obtained by the Bidder in relation to those matters. Accordingly, the statements set out in this section are statements of present intentions only which may vary depending on the facts, information and circumstances which become known to the Bidder at the relevant time.

The knowledge and intentions of ABN AMRO Capital concerning the assets, business, operations and employees of AUSDOC are the same as the Bidder's knowledge and intentions.

The Bidder and its advisers have reviewed information that has been provided to them as part of the due diligence process conducted by AUSDOC concerning its current activities and its plans for the future. They have also had limited discussions with AUSDOC in relation to its businesses. Based on the Bidder's review of that material and its assessment of AUSDOC's operations, the Bidder's intentions regarding the AUSDOC Group are summarised below.

2.2 Intentions on becoming entitled to compulsorily acquire the AUSDOC Shares

This section sets out the Bidder's intentions upon becoming entitled to compulsorily acquire the AUSDOC Shares in accordance with Chapter 6A of the Corporations Act.

(a) Corporate matters

The Bidder intends to:

- (i) exercise its rights of compulsory acquisition in respect of AUSDOC Shares in accordance with Chapter 6A of the Corporations Act;
- (ii) exercise its rights of compulsory acquisition in respect of any Options which are not cancelled by AUSDOC, exercised by Option Holders or acquired by the Bidder in accordance with Chapter 6A of the Corporations Act;
- (iii) replace some or all of the members of the AUSDOC Board and of all other companies which AUSDOC presently has a nominee on the board of directors, with nominees of the Bidder so that persons nominated by the Bidder will constitute at least a majority of those boards. The Bidder's nominees have not yet been identified by the Bidder. Final decisions on the selection of the Bidder's nominees will be made in light of the circumstances at the relevant time; and
- (iv) seek the removal of AUSDOC from the official list of ASX.

Bidder's Statement

(b) AIM and FEL businesses

The Bidder considers that the AIM Business and the FEL Business are well established and are capable of operating on a stand-alone basis with relative autonomy within the AUSDOC Group and within the ABN AMRO Capital portfolio of investments. The present intentions of the Bidder in relation to the AIM Business and the FEL Business are to:

- continue to operate the AIM Business and the FEL Business;
- not make any major changes to the AIM Business or the FEL Business, nor redeploy any of the fixed assets of the AIM Business or the FEL Business; and
- continue the employment of the present employees of the AIM Business and the FEL Business.

As set out in section 1.3, ABN AMRO Capital is an equity investor with a focus on investing in companies with:

- an established and viable business;
- a capable and sound management; and
- the opportunity to enhance the strategic direction and operations of, and identify growth opportunities for, the business.

ABN AMRO Capital has not previously been a direct investor in the industry sectors in which the AUSDOC Group operates in either Australia or New Zealand. While it has conducted due diligence, and considers that the AUSDOC Group satisfies its investment criteria, it will not be in the position to determine its longer term intentions until it has acquired all of the AUSDOC Shares, and has had an opportunity to review the AUSDOC Group in detail.

The Bidder intends to conduct a detailed review of the assets, strategy and operations of the AUSDOC Group. The review will be conducted with the assistance of the existing management of the AIM Business and the FEL Business.

After completion of its review, the Bidder will seek to identify areas in which the strategic direction and operations of the AIM Business and the FEL Business can be enhanced. It will then address those areas with a view to optimising the performance of the businesses over the term of its investment. Thereafter, the Bidder intends to continue to operate the businesses. At a later stage, the Bidder may seek to identify potential purchasers, alternative funding arrangements, possible strategic alliances or any other means by which it may realise a return on its investment.

While the Bidder's present intentions are to review, enhance and continue to operate the AIM Business and the FEL Business, the Bidder may, in circumstances which it considers appropriate, pursue all or any of the options set out above to generate a return on its investment before it has finalised its review and implemented any changes it considers necessary.

(c) Sydney Premises Consolidation

Prior to the date of this Bidder's Statement, the AUSDOC Group commenced discussions in relation to the Sydney Premises Consolidation.

At the date of this Bidder's Statement, the Bidder understands that draft documents have been prepared and a non-binding "in-principle" agreement has been reached to effect the transaction. However, at the date of this Bidder's Statement, no final agreement has been executed.

To the extent that additional steps are required, the Bidder intends to ensure that the documents required to effect the Sydney Premises Consolidation are finalised, and the transaction is completed, in a timely manner.

(d) Closure of GoMail Aggregation Business

On 14 June 2002, the AUSDOC Group commenced closure of the GoMail Aggregation Business. The closure of the business requires certain customer and supplier arrangements to be terminated, novated or assigned, the vacation of leased premises, the sale of certain property, plant and equipment and the making redundant of a number of employees of the GoMail Aggregation Business.



The Bidder understands that many of the measures required to close the GoMail Aggregation Business have, at the date of this Bidder's Statement, already been commenced by the AUSDOC Group and will be completed prior to the end of the Offer Period. However, to the extent that further action is required, the Bidder intends to continue the steps already taken at the date of this Bidder's Statement to complete the closure of the GoMail Aggregation Business.

(e) Corporate head office

As part of its detailed review of the businesses and operations of the AUSDOC Group referred to in section 2.2(b), the Bidder will consider the role, functions and responsibilities of AUSDOC's corporate head office. While no final decisions will be made until the Bidder's review has been completed, on the basis of its due diligence investigations, the Bidder believes that the functions and responsibilities of the AUSDOC head office will be significantly reduced as a result of:

- the closure of the GoMail Aggregation Business;
- the sale of the DX Group Business; and
- the delisting of AUSDOC which will be sought by the Bidder if it becomes entitled to compulsorily acquire the AUSDOC Shares under Chapter 6A of the Corporations Act.

In addition, the Bidder considers that the AIM Business and the FEL Business are capable of operating relatively autonomously as stand-alone businesses without significant reliance on central corporate head office services.

As a result of the developments described above, the Bidder intends to reduce the number of full-time head office employees at the AUSDOC head office. Where appropriate and feasible, the Bidder will seek to relocate any existing head office employees to other parts of the AUSDOC Group business, or allocate new responsibilities to them. However, if the Bidder considers that it is not appropriate and feasible to do so, it is expected that the relevant employees will be made redundant and will receive any redundancy or other entitlements due to them.

(f) Continuity of senior management

As discussed in section 1.3, as an equity investor, ABN AMRO Capital's strategy is to identify companies with an established business and a sound management. The Bidder considers that the AIM Business and the FEL Business comply with its investment strategy. To assist in providing continuity to the AIM Business and the FEL Business during the period in which the Bidder is reviewing their operations, strategy and potential growth opportunities, the Bidder has retained the services of four senior managers of the AUSDOC Group. These senior managers have all entered into service agreements with ABN AMRO Capital for this purpose.

2.3 Intentions for AUSDOC as a partly owned company

The Offer is subject to a condition that before the end of the Offer Period, the Bidder and its associates have a relevant interest in at least 90% of the AUSDOC Shares on issue.

The Bidder has no present intention of waiving the 90% minimum acceptance condition. However, this decision will be made based upon the facts and circumstances at the relevant time.

If, following the close of the Offers, AUSDOC becomes a controlled entity but not a wholly owned subsidiary of the Bidder, it is the present intention of the Bidder to attempt to procure that the AUSDOC Board implements the objectives and goals outlined in section 2.2 to the extent possible and appropriate. This includes conducting a detailed review of the AIM Business and the FEL Business, implementing any changes required to enhance the operational efficiency and strategic direction of the AIM Business and the FEL Business, and, if permitted to do so, arranging for the delisting of AUSDOC from the official list of ASX.

In addition, the Bidder's present intentions in these circumstances are to:

- (a) seek the appointment of nominees of the Bidder to the AUSDOC Board in such a proportion as at least equates to its proportionate shareholding interests in AUSDOC;

Bidder's Statement

- (b) review the carrying amounts of all non-current assets, to determine whether they are in excess of their recoverable amounts and, in the event the carrying amount of a non-current asset exceeds its recoverable amount, the asset will be written down to the lower value; and
- (c) undertake a review of AUSDOC's capital funding requirements and, in light of that review, to assess the appropriate level of dividends to be paid by AUSDOC.

The extent that the Bidder's intentions described in this section 2.3 may be realised if AUSDOC is not wholly owned by the Bidder will be subject to:

- (a) the law and ASX Listing Rules which may, in some circumstances, require approval of the remaining AUSDOC Shareholders for arrangements between AUSDOC and the Bidder;
- (b) the legal obligations of the then AUSDOC Board to act for proper purposes and in the best interests of AUSDOC; and
- (c) the outcome of the detailed review conducted by the Bidder in relation to the AIM Business and the FEL Business.

3 Consideration

3.1 Cash consideration

The consideration for the Offers will be provided entirely by way of cash.

3.2 Total amount payable

The maximum amount of cash consideration which will be payable if all of the Offers are accepted will be approximately \$191,229,458 (assuming that all Options are exercised before the end of the Offer Period).

3.3 Bidder's source of funds

The Bidder has access to sufficient funds to finance the acquisition of all of the AUSDOC Shares, including the AUSDOC Shares which may be issued on the exercise of any or all of the Options before the end of the Offer Period.

The Bidder's funds will be received from the following sources:

- cash proceeds to be received from ABN AMRO Capital upon subscribing for shares in the Bidder pursuant to the Equity Subscription Agreement; and
- a cash advance facility underwritten by ANZ.

Details of these funding arrangements are set out below.

3.4 Equity Subscription Agreement

Under the Equity Subscription Agreement, the Bidder has the irrevocable right to require ABN AMRO Capital to subscribe for shares in the Bidder to enable it to fund part of the consideration payable to accepting AUSDOC Shareholders under the Offer; to acquire any Options; to proceed to compulsory acquisition of any AUSDOC Shares or Options and to pay the transaction costs associated with each of these steps. The Bidder's right to require ABN AMRO Capital to subscribe for shares in the Bidder is conditional only on the Bidder delivering a notice to the directors of ABN AMRO Capital setting out the number of shares to be issued and requiring immediate payment of the subscription price.

ABN AMRO Capital's obligation to provide the subscription moneys to the Bidder is irrevocable and will be satisfied from existing cash resources of ABN AMRO Capital and its related entities. The Bidder is not required to make any distribution to ABN AMRO Capital or return any amount by way of repayment of shareholders' equity during the Offer Period, or for so long as it has an obligation to pay for AUSDOC Shares under the Offer; or to compulsorily acquire any outstanding AUSDOC Shares or Options at the end of the Offer Period.



ABN-AMRO

3.5 ANZ Facility

(a) Overview

ANZ has agreed to underwrite a secured cash advance facility in order for the Bidder to fund the balance of the Offer, refinance certain existing indebtedness of the AUSDOC Group and pay certain fees, costs and expenses of the financing. ANZ has also committed to provide additional transactional facilities to enable it to finance the ongoing operations of the AUSDOC Group.

ANZ has obtained all necessary internal consents and its commitment to provide the ANZ Facility is irrevocable, subject only to satisfying certain standard conditions precedent for a facility of this nature (the conditions precedent are summarised in section 3.5(b)).

The ANZ Facility may also be provided by other lenders. However, ANZ's commitment is not conditional upon the participation of any other lenders.

The ANZ Facility will be available for drawing down until 120 days from the date of the facility agreement. The Bidder intends to execute the facility agreement at an appropriate time to ensure funds are available when required in respect of the Offer and for compulsory acquisition.

The Bidder must fund the Offer using the cash proceeds from the equity subscription by ABN AMRO Capital before drawing down under the ANZ Facility unless the Bidder has 100% control of AUSDOC at the time of drawing down.

(b) Conditions precedent to drawdown

The Bidder may only drawdown under the ANZ Facility if the conditions precedent have been satisfied. The conditions precedent will include those which are standard for a facility of this kind (such as providing constituent documents and corporate and other authorities and giving a valid drawdown request), and other conditions which may reasonably be required by the lenders.

The conditions to drawdown will include:

- acceptance of the Offer in relation to 90% (by number) of all of the AUSDOC Shares;
- no material adverse change in the Bidder;
- a certificate signed by two directors of the Bidder certifying that as at the date of funding:
 - (i) nothing to their knowledge has changed which might reasonably be expected to have a material adverse effect on the ability of the Bidder to perform its obligations under any financing document; and
 - (ii) to their knowledge, none of the events referred to in section 4.11(c) has happened, and there has been no disclosure of the existence of any of those events since the Announcement Date;
- contracts for the construction and lease back of the Moorebank Facility having been executed on terms acceptable to the lenders;
- the closure of the GoMail Aggregation Business having been completed on terms satisfactory to the lenders;
- evidence of receipt by the Bidder of minimum shareholders' equity from ABN AMRO Capital on terms satisfactory to the lenders;
- completion and execution of satisfactory financing documents and the provision of a legal opinion confirming their validity and enforceability;
- evidence that satisfactory arrangements for hedging of the Bidder's interest rates are in place for not less than 50% of the principal outstanding at any time under the ANZ Facility;
- no representations and warranties contained in the financing documents are false, misleading or incorrect (the representations and warranties are summarised in section 3.5(c)); and
- no event of default or potential event of default having occurred (the events of default are summarised in section 3.5(d)).

Bidder's Statement

Some of the conditions precedent to drawdown under the ANZ Facility are also Offer Conditions. The Offer Conditions are set out in section 4.1.1. If the Bidder was to waive an Offer Condition, it will be necessary for the lenders to waive the equivalent conditions precedent to drawdown in order for the funds under the ANZ Facility to be made available to the Bidder.

(c) Representations and warranties

Under the ANZ Facility, the Bidder will give all of the usual representations and warranties for a facility agreement of this kind and any additional representations and warranties reasonably required by the lenders. These include representations and warranties in relation to incorporation, powers, authorisations, binding obligations, no default or breach, disclosure, no immunity, ownership and title to assets, solvency, encumbrances and priority, corporate structure, financial reporting and litigation.

(d) Events of default

Under the ANZ Facility, the usual events of default for a facility of this nature and any events of default reasonably required by the lenders will apply. The effect of an event of default is to entitle the lenders to demand early repayment of the ANZ Facility (subject to agreed cure periods) or refuse drawing requests by the Bidder. The events of default which will apply at the date of the initial drawdown under the ANZ Facility will include the following:

- failure to pay money owed under the financing documents on its due date;
- any necessary authorisation ceasing to be in full force;
- any representation or warranty becoming false, misleading or incorrect;
- cross default in respect of any financial accommodation or guarantee;
- any steps taken to enforce an encumbrance against any asset;
- a judgment exceeding an agreed amount is obtained and is not stayed, set aside or satisfied within a period to be agreed;
- a material adverse amendment of the AUSDOC constitution is made without prior consent of a majority of the lenders;
- occurrence of an insolvency related event such as suspending payment of debts generally, winding up, administration, appointment of a receiver or similar official, or steps taken for such appointment, over any assets and like events;
- occurrence of a material adverse change;
- occurrence of a change of control of the Bidder; and
- failure to perform or observe any other term or condition under the financing documents.

4 Terms of the Offer

4.1 Offer

The Bidder offers to acquire all of your AUSDOC Shares on issue at 9:00 am on the Record Date on the terms and subject to the conditions set out in this Offer. You may only accept this Offer for **all** of your AUSDOC Shares.

If you are an Option Holder, the Bidder also offers to acquire all of the AUSDOC Shares issued to you during the Offer Period as a result of the exercise of your Options.

For the avoidance of doubt, the Offer does not constitute an express or implied offer to acquire all or any of the FEL RPS.

By accepting this Offer, you undertake to transfer to the Bidder not only the AUSDOC Shares to which the Offer relates but also all accretions, rights or benefits of whatever kind attached to or arising from your AUSDOC Shares including, without limitation, all Rights attached to the AUSDOC Shares.



This Offer is dated 22 July 2002.

An Offer in this form and bearing the same date is being made to and will be sent to each holder of AUSDOC Shares registered in the AUSDOC share register at 9:00 am on the Record Date. This Offer extends to any person who becomes registered or entitled to be registered as the holder of any of your AUSDOC Shares during the Offer Period.

To accept this Offer, please follow the instructions in section 4.4.

4.2 Consideration

The consideration offered for each AUSDOC Share is \$2.15 cash.

4.3 Offer Period

The Offer will, unless withdrawn, remain open for acceptance during the period commencing on the date of this Offer, being 22 July 2002, and ending at 7:00 pm on:

- (a) the date which is one month after the date of this Offer, being 23 August 2002; or
- (b) any date to which the period of this Offer is extended in accordance with the Corporations Act,

whichever is the later.

4.4 How to accept this Offer

This will depend on whether your AUSDOC Shares are in an Issuer Sponsored Holding or a CHESS Holding.

(a) Issuer Sponsored Holding

If your AUSDOC Shares are in an Issuer Sponsored Holding, then to accept this Offer you must complete, sign and send or deliver the accompanying Acceptance Form in accordance with the instructions on it together with all other documents required by those instructions so that they are received before the expiry of the Offer Period.

(b) CHESS Holding

If your AUSDOC Shares are in a CHESS Holding, then to accept this Offer you must comply with the SCH Business Rules. To accept this Offer in accordance with the SCH Business Rules:

- if you are a Broker or a Non-Broker Participant, you must accept this Offer; or
- otherwise, you must instruct your Controlling Participant to initiate acceptance of this Offer;

in accordance with Rule 16.3 of the SCH Business Rules before the end of the Offer Period.

Alternatively, you may complete, sign and send or deliver the Acceptance Form in respect of those AUSDOC Shares which are in the CHESS Holding in accordance with the instructions on it, together with all other documents required by those instructions so that they are received before the expiry of the Offer Period. This will authorise the Bidder or an agent of the Bidder to instruct your Controlling Participant to initiate acceptance of this Offer on your behalf.

(c) Mailing and delivery addresses

The mailing address is as follows:

ASX Perpetual Registrars Limited
AUSDOC Group Limited takeover offer
GPO Box 1736P
Melbourne VIC 3001
AUSTRALIA.

A reply paid envelope (not able to be used by AUSDOC Shareholders resident outside Australia) is enclosed for your convenience.

Bidder's Statement

Alternatively, you may deliver the Acceptance Form and any associated documents to:

ASX Perpetual Registrars Limited
AUSDOC Group Limited takeover offer
Level 4
333 Collins Street
Melbourne VIC 3000
AUSTRALIA.

(d) Acceptance Form

The Acceptance Form which accompanies this Offer forms part of the Offer. The requirements on the Acceptance Form must be observed in accepting this Offer in respect of your AUSDOC Shares.

4.5 Payment of consideration

Subject to section 4.8, the Bidder will provide the consideration to which you are entitled on or before the earlier of:

- (a) one month after this Offer is validly accepted by you and this Offer or the contract resulting from your acceptance of this Offer becomes or is declared wholly unconditional; and
- (b) 21 days after the end of the Offer Period if the Offer becomes or is declared wholly unconditional and you have validly accepted the Offer.

4.6 Transfer of Rights

If the Bidder becomes entitled to any Rights on acceptance of this Offer, you must give the Bidder all documents that the Bidder needs to give the Bidder title to those Rights. If you do not give those documents to the Bidder, or if you have received the benefit of those Rights, the Bidder will reduce the consideration otherwise due to you by the amount (or value, as reasonably assessed by the Bidder) of those Rights. Where the Rights relate to a dividend, the Bidder will reduce the consideration for each AUSDOC Share by the cash amount of the dividend.

4.7 Dispatch of cheques

Payment of the cash amount to which you are entitled will be mailed by cheque (or otherwise as agreed with the Bidder) in Australian currency. Cheques will be sent to the address on the Acceptance Form by pre-paid ordinary mail or, if you have an overseas address, by pre-paid airmail.

4.8 Additional documents

Where the Acceptance Form 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, the Bidder will provide the consideration in accordance with section 4.5;
- (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, the Bidder will provide the consideration by the end of whichever of the following periods ends earlier:
 - (i) one month after the contract resulting from your acceptance of this Offer becomes or is declared wholly unconditional; or
 - (ii) 21 days after the end of the Offer Period;
- (c) if that document is given after acceptance and before the end of the Offer Period while the Offer is unconditional, the Bidder will provide the consideration by the end of whichever of the following periods ends earlier:
 - (i) one month after that document is given; or
 - (ii) 21 days after the end of the Offer Period; and



- (d) If that document is given after acceptance and after the end of the Offer Period, the Bidder will provide the consideration within 21 days after that document is given.

4.9 Foreign residents

If, at the time of acceptance of this Offer, you are resident in or of a place outside of Australia, you will not be entitled to receive any consideration under this Offer until all requisite authorities or clearances of the Reserve Bank of Australia (whether under the Banking (Foreign Exchange) Regulations or otherwise), or of the Australian Taxation Office, have been obtained.

4.10 No payment until contract unconditional

No payment will be made unless the contract resulting from your acceptance of the Offer becomes or is declared wholly unconditional.

4.11 Conditions of the Offer

This Offer and the contract that results from acceptance of this Offer is subject to fulfilment of the following conditions:

- (a) that before the end of the Offer Period, the Bidder and its associates have a relevant interest in at least 90% (by number) of the AUSDOC Shares on issue at that time;
- (b) that during the Offer Period, all Approvals that are required by law or by any Public Authority as are necessary to permit the Offers to be made to, and accepted by, AUSDOC Shareholders are granted, given, made or obtained on an unconditional basis and remain in full force and effect in all respects and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same;
- (c) that none of the following events happen during the period commencing on the Announcement Date and ending at the end of the Offer Period:
 - (i) that AUSDOC or a subsidiary of AUSDOC declares or pays any dividend, bonus or other distribution on AUSDOC Shares;
 - (ii) AUSDOC converts all or any of its shares into a larger or smaller number of shares;
 - (iii) AUSDOC or a subsidiary of AUSDOC resolves to reduce its share capital in any way;
 - (iv) AUSDOC or a subsidiary of AUSDOC:
 - (A) enters into a buy-back agreement in respect of its share capital; or
 - (B) resolves to approve the terms of a buy-back agreement under section 257C(l) or 257D(l) of the Corporations Act;
 - (v) AUSDOC or a subsidiary of AUSDOC issues shares (other than in respect of the exercise of Options issued pursuant to the employment contract of the chief executive officer of AUSDOC, the AUSDOC Executive Share Option Plan and the AUSDOC Executive Share Option Plan New Zealand), or grants an option over its shares, or agrees to make such an issue or grant such an option;
 - (vi) AUSDOC or a subsidiary of AUSDOC issues, or agrees to issue, convertible notes;
 - (vii) AUSDOC or a subsidiary of AUSDOC disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property (except for the sale of the DX Group Business, the Sunshine Property Transaction, and the sale of any fixed assets in connection with the closure of the GoMail Aggregation Business);
 - (viii) AUSDOC or a subsidiary of AUSDOC charges, or agrees to charge, the whole, or a substantial part, of its business or property;

Bidder's Statement

- (ix) AUSDOC or a subsidiary of AUSDOC resolves to be wound up;
- (x) a liquidator or provisional liquidator of AUSDOC or of a subsidiary of AUSDOC is appointed;
- (xi) a court makes an order for the winding up of AUSDOC or of a subsidiary of AUSDOC;
- (xii) an administrator of AUSDOC or of a subsidiary of AUSDOC is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xiii) AUSDOC or a subsidiary of AUSDOC executes a deed of company arrangement; or
- (xiv) a receiver or a receiver and manager is appointed in relation to the whole, or a substantial part, of the property of AUSDOC or of a subsidiary of AUSDOC;
- (d) that the consolidated EBITA of the AUSDOC Group (disregarding the operating performance of the DX Group Business and the GoMail Aggregation Business) for the year ended 30 June 2002 is not less than \$30.5 million, except as a result of events which have been disclosed to the Bidder prior to the Announcement Date;
- (e) that the consolidated net assets of the AUSDOC Group (disregarding the net assets of the DX Group Business and the GoMail Aggregation Business) as at 30 June 2002 are not less than \$27.7 million, except as a result of events which have been disclosed to the Bidder prior to the Announcement Date;
- (f) that before the end of the Offer Period, binding agreements to effect the Sydney Premises Consolidation are executed by AUSDOC or a subsidiary of AUSDOC and by all counterparties to those agreements; and
- (g) that before the end of the Offer Period, the closure of the GoMail Aggregation Business is completed.

4.12 Nature of Offer Conditions

Each of the conditions set out in each paragraph and sub-paragraph of section 4.11:

- (a) constitutes and shall be construed as a separate, several and distinct condition;
- (b) is a condition subsequent; and
- (c) until the expiration of the Offer Period will be for the benefit of the Bidder alone and may be relied upon only by the Bidder.

4.13 Effect of non-fulfilment

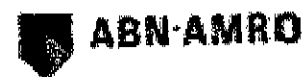
The breach or non-fulfilment of any of the conditions set out in section 4.11 does not, until the end of the Offer Period, prevent a contract to acquire your AUSDOC Shares resulting from your acceptance of this Offer but, if at the end of the Offer Period, in respect of any condition set out in section 4.11:

- (a) the Bidder has not declared the Offer to be free from that condition; or
- (b) that condition has not been fulfilled,

all contracts resulting from the acceptance of the Offer and all acceptances that have not resulted in binding contracts are void. In such a case, the Bidder will return the Acceptance Form, together with all other documents forwarded by you, to the address shown in the Acceptance Form and notify SCH of the lapse of the Offers in accordance with Rule 16.8 of the SCH Business Rules.

4.14 Bidder may declare Offer free of Offer Conditions

The Bidder may at any time at its sole discretion but in compliance with the Corporations Act, declare the Offer free from all or any of the conditions set out in each paragraph and sub-paragraph of section 4.11 on any date but not less than seven days before the last day of the Offer Period.



4.15 Minimum acceptance condition

In deciding whether the condition in section 4.11(a) is satisfied, any relevant interests that the Bidder has merely because of the operation of section 608(3) of the Corporations Act (relevant interests from holding 20% or greater voting power in a body corporate) will be disregarded.

4.16 Date for notifying status of Offer Conditions

The date specified for giving a notice referred to in section 630(1) of the Corporations Act is 15 August 2002, subject to variation in accordance with section 630(2) of the Corporations Act in the event that the Offer Period is extended.

4.17 Effect of acceptance – authorising Bidder to perfect acceptance

By signing and returning the Acceptance Form, you will be deemed to have:

- (a) irrevocably authorised the Bidder to alter the Acceptance Form on your behalf by inserting correct details of your AUSDOC Shares, filling in any blanks remaining on the Acceptance Form and rectifying any errors in, and omissions from, the Acceptance Form as may be necessary to make the Acceptance Form a valid acceptance of this Offer and to enable registration of the transfer of your AUSDOC Shares to the Bidder; and
- (b) if any of your AUSDOC Shares are in a CHESS Holding, irrevocably authorised the Bidder or an agent of the Bidder to:
 - (i) instruct your Controlling Participant to initiate acceptance of this Offer in respect of all such AUSDOC Shares in accordance with the SCH Business Rules; and
 - (ii) give any other instructions in relation to those AUSDOC Shares to your Controlling Participant on your behalf under the sponsorship agreement between you and the Controlling Participant.

4.18 Effect of acceptance – transfer of AUSDOC Shares and other matters

By signing and returning the Acceptance Form, or by causing the Offer to be accepted in accordance with the SCH Business Rules, you will be deemed to have:

- (a) irrevocably accepted this Offer in respect of all your AUSDOC Shares, notwithstanding any difference between that number and the number of AUSDOC Shares shown in the Acceptance Form;
- (b) agreed to transfer all of your AUSDOC Shares to the Bidder in accordance with the terms set out in this Offer upon this Offer or any contract resulting from acceptance of this Offer becoming or being declared unconditional;
- (c) represented and warranted to the Bidder as a condition of the contract resulting from your acceptance, that at the time of acceptance and at the time of transfer to the Bidder:
 - (i) you have paid to AUSDOC all amounts which at the time of acceptance have fallen due for payment in respect of your AUSDOC Shares;
 - (ii) all of your AUSDOC Shares are fully paid and free from all mortgages, charges, liens and other encumbrances of any nature; and
 - (iii) you have full power and capacity to sell and transfer all of your AUSDOC Shares;
- (d) upon this Offer or any contract resulting from acceptance of this Offer becoming or being declared unconditional, irrevocably appointed the Bidder and each director of the Bidder from time to time severally as your agent and attorney for you and on your behalf to:
 - (i) attend and vote in respect of your AUSDOC Shares at any and all general meetings of AUSDOC;
 - (ii) receive from AUSDOC or any other party, and retain, any share certificates or other documents which were held by AUSDOC or any other party, whether pursuant to the terms of any AUSDOC employee incentive scheme (including, without limitation, any AUSDOC employee share scheme) or otherwise;

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- (iii) execute all forms, notices, instruments (including an instrument appointing a director of the Bidder as a proxy in respect of any or all of your AUSDOC Shares) and resolutions relating to your AUSDOC Shares and generally to exercise all powers and rights which you may have as an AUSDOC Shareholder and perform such action as may be appropriate in order to vest good title in your AUSDOC Shares in the Bidder; and
- (iv) appoint a proxy or proxies to attend and vote on your behalf in respect of your AUSDOC Shares at any general meeting of AUSDOC.

and agreed that, in exercising such powers, the Bidder and each director of the Bidder is entitled to act in the interests of the Bidder as the intended registered and beneficial holder of your AUSDOC Shares; and

- (e) if at the time of acceptance of this Offer your AUSDOC Shares are in a CHESS Holding, authorised the Bidder or an agent of the Bidder to cause a message to be transmitted to SCH in accordance with SCH Business Rule 16.6.1 so as to transfer your AUSDOC Shares to the Bidder's Takeover Transferee Holding, with effect from the date that this Offer or any contract resulting from acceptance of this Offer is declared free from all Offer Conditions, or all of the Offer Conditions are satisfied. The Bidder shall be so authorised even though at the time of such transfer it has not paid the consideration due to you under this Offer.

4.19 Completion of all requirements of acceptance

Except in relation to AUSDOC Shares in a CHESS Holding, the Bidder may at any time deem the receipt by it of a signed Acceptance Form to be a valid acceptance of this Offer even if you omit to include information or there is not compliance with any one or more of the other requirements for acceptance but, if it does so, then subject to section 4.8, the Bidder is not obliged to make the consideration available to you until all of the requirements for acceptance have been met.

4.20 Withdrawal

The Bidder may withdraw this Offer at any time with the written consent of ASIC and subject to the conditions (if any) specified in such consent.

4.21 Variation

The Bidder may vary this Offer in accordance with the Corporations Act.

4.22 Acceptance by transferee, trustee or nominee

During the Offer Period:

- (a) any person who is able to give good title to a parcel of your AUSDOC Shares may accept (if they have not already accepted an offer in the form of this Offer) as if an offer on terms identical with this Offer has been made to them; and
- (b) a person who holds one or more parcels of AUSDOC Shares as trustee or nominee, or otherwise on account of another person, may accept as if a separate offer had been made in relation to:
 - (i) each of those parcels; and
 - (ii) any parcel they hold in their own right.

4.23 Holder of AUSDOC Shares

A person is taken to hold AUSDOC Shares if the person is, or is entitled to be registered as, the holder of those AUSDOC Shares.

4.24 Holder of AUSDOC Shares for another person

A person is taken to hold AUSDOC Shares on trust for, as nominee for, or on account of, another person if they:

- (a) are entitled to be registered as the holder of particular AUSDOC Shares; and
- (b) hold their interest in the AUSDOC Shares on trust for, as nominee for, or on account of, that other person.



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4.25 Effective acceptance by transferees and nominees

With respect to a person who may accept under section 4.22(b) as if a separate offer is taken to be made to a person for a parcel of AUSDOC Shares within a holding, an acceptance of that offer is ineffective unless:

- (a) the person gives the Bidder a notice stating that the AUSDOC Shares consist of a separate parcel; and
- (b) the acceptance specifies the number of AUSDOC Shares in the parcel.

4.26 Form of notice by transferees and nominees

A notice under section 4.25(a) must be made:

- (a) if it relates to AUSDOC Shares entered on an SCH subregister in an electronic form approved by the SCH Business Rules; or
- (b) otherwise – in writing.

4.27 Acceptance for two or more parcels

A person may, at the one time, accept the Offer for two or more parcels of AUSDOC Shares as if there had been a single offer for a separate parcel consisting of those parcels.

4.28 Notice or communication

Subject to the Corporations Act, a notice or other communication given by the Bidder to you in connection with this Offer shall be deemed to be duly given if it is in writing and:

- (a) is delivered at your address as recorded on the register of members of AUSDOC or the address shown in the Acceptance Form; or
- (b) is sent by pre-paid ordinary mail or by courier, or in the case of an address outside Australia, by pre-paid airmail or by courier, to you at either of those addresses.

4.29 Return of Acceptance Form

If:

- (a) this Offer is withdrawn after your Acceptance Form has been sent to the Bidder, but before it has been received; or
- (b) for any other reason, the Bidder does not acquire the AUSDOC Shares to which your Acceptance Form relates,

the Bidder will dispatch at your risk your Acceptance Form together with all other documents forwarded by you to your address as shown on the Acceptance Form or such other address as you may notify in writing to the Bidder by, where such address is inside Australia, pre-paid ordinary mail, or by courier; or, where such address is outside Australia, pre-paid airmail.

4.30 Costs and expenses

All costs and expenses of the preparation, dispatch and circulation of the Offers and any stamp duty payable in respect of a transfer of AUSDOC Shares in respect of which Offers are accepted, will be paid by the Bidder.

5 Share capital information

5.1 Capital structure

The total number of securities in AUSDOC as at the date of this Bidder's Statement is as follows:

- (a) 87,248,735 AUSDOC Shares; and
- Source: Appendix 3B lodged by AUSDOC with ASX on 9 July 2002.*

Bidder's Statement

(b) 1,695,199 Options, with the following characteristics:

Issue Date	Exercise Price	Number
August 1999	\$2.54	231,855
February 2000	\$2.57	58,530
September 2000	\$2.00	118,087
November 2000	\$1.89	250,000
November 2000	\$2.27	250,000
November 2000	\$3.02	250,000
March 2001	\$1.29	284,842
August 2001	\$1.52	251,885

Source: AUSDOC.

5.2 Details of relevant interests in AUSDOC Shares

Immediately before this Bidder's Statement was lodged with ASIC, the Bidder had no relevant interest in any AUSDOC Shares.

As at the date of this Bidder's Statement, and as at the date immediately before the first Offer is sent, the Bidder has no relevant interest in any AUSDOC Shares.

5.3 Details of voting power in AUSDOC

As at the date of this Bidder's Statement, and as at the date immediately before the first Offer is sent, the Bidder has no voting power in AUSDOC.

5.4 Inducing benefits given during previous four months

Neither the Bidder, nor any of its associates has, during the period of four months ending on the day immediately before the date of this Bidder's Statement, given, offered, or agreed to give, a benefit to another person which benefit was likely to induce the other person, or an associate, to:

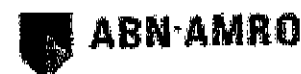
- (a) accept an Offer; or
- (b) dispose of AUSDOC Shares,

and which benefit was not offered to all AUSDOC Shareholders under the Offer.

5.5 Consideration provided for AUSDOC Shares during previous four months

Except as set out below, neither the Bidder, nor any of its associates has, during the period of four months before the date of the Offer, provided, or agreed to provide, consideration for any AUSDOC Shares under a purchase or agreement to purchase.

The following tables set out the details of consideration provided by associates of the Bidder for AUSDOC Shares during the 4 months before the date of the Offer. All transactions described below were made by associates of the Bidder in the ordinary course of business, independently of the Bidder's takeover bid.



Date	Quantity	Price
25 March 2002	238	\$2.14
27 March 2002	4,485	\$2.14
16 April 2002	600	\$2.14
17 April 2002	220	\$2.14
17 April 2002	228	\$2.13
18 April 2002	224	\$2.13
18 April 2002	1,199	\$2.14
19 April 2002	679	\$2.13
22 April 2002	227	\$2.12
22 April 2002	221	\$2.11
23 April 2002	195	\$2.13
23 April 2002	569	\$2.12
26 April 2002	665	\$2.10
29 April 2002	219	\$2.09
29 April 2002	455	\$2.07
29 April 2002	224	\$2.05
1 May 2002	212	\$2.10
2 May 2002	473	\$2.10
2 May 2002	456	\$2.09
3 May 2002	442	\$2.09
3 May 2002	217	\$2.08
6 May 2002	1,178	\$2.08
7 May 2002	228	\$2.04
7 May 2002	300	\$2.05
7 May 2002	461	\$2.06
7 May 2002	678	\$2.07

Date	Quantity	Price
7 May 2002	229	\$2.08
8 May 2002	1,498	\$2.06
8 May 2002	227	\$2.05
8 May 2002	906	\$2.07
9 May 2002	685	\$2.06
16 May 2002	227	\$2.10
16 May 2002	451	\$2.11
22 May 2002	1,589	\$2.10
24 May 2002	3,280	\$2.10
7 June 2002	514	\$1.97
11 June 2002	2,460	\$1.94
11 June 2002	633	\$1.96
12 June 2002	203	\$1.93
13 June 2002	957	\$1.93
14 June 2002	341	\$1.95
14 June 2002	219	\$1.94
14 June 2002	8	\$1.95
17 June 2002	482	\$1.94
17 June 2002	682	\$1.96
19 June 2002	1,570	\$2.11
19 June 2002	682	\$2.12
24 June 2002	1,616	\$2.12
27 June 2002	781	\$2.11
28 June 2002	13,493	\$2.11
5 July 2002	2,723	\$2.12

6 Taxation considerations

6.1 Introduction

The following is an outline of the principal Australian income and capital gains tax consequences generally applicable to an AUSDOC Shareholder who accepts the Offer:

The outline reflects the current provisions of the Income Tax Assessment Act 1936 (Cwlth) and the Income Tax Assessment Act 1997 (Cwlth) and the regulations made under those Acts (collectively "tax laws"), taking into account currently proposed amendments and the Bidder's understanding of the current administrative practices of the Australian Taxation Office. The outline does not otherwise take into account or anticipate changes in the law, whether by way of judicial decision or legislative action, and also does not take into account the tax legislation of countries other than Australia.

The outline is not intended to be a complete summary of all possible Australian tax considerations that could apply to the particular circumstances of every AUSDOC Shareholder. In particular, the summary does not address all tax considerations applicable to AUSDOC Shareholders, for example, those engaged in a business of investment or who acquired the AUSDOC Shares for the purpose of resale at a profit or who may be subject to special tax rules (such as banks, insurance companies, tax exempt organisations, superannuation funds or dealers in securities).

This summary does not address the tax considerations for those that have acquired the AUSDOC Shares or Options under an AUSDOC employee share plan or share option plan, as their taxation considerations may differ significantly from other AUSDOC Shareholders.

Bidder's Statement

This summary also does not deal with the tax considerations applicable to holders of Options.

Each AUSDOC Shareholder is advised to consult their own tax adviser regarding the consequence of acquiring, holding or disposing of AUSDOC Shares in light of current tax laws, and their particular investment circumstances.

6.2 Acceptance of the Offer

For capital gains tax purposes, if you accept the Offer and your AUSDOC Shares are transferred to the Bidder, you will be treated as having sold your AUSDOC Shares on the date ("Acceptance Date") that the contract that results from your acceptance arises.

(a) Australian resident AUSDOC Shareholders

Under the capital gains tax provisions, in simple terms, you may make a capital gain or capital loss in respect of the sale of your AUSDOC Shares, depending on whether the capital proceeds from the sale are more than the cost base (or in some cases, indexed cost base) of the AUSDOC Shares (a capital gain), or are less than the reduced cost base of the AUSDOC Shares (a capital loss).

The capital proceeds will be the sum of money that you receive from the Bidder in respect of the sale of your AUSDOC Shares.

Ordinarily, the cost base is the total of the amount that you paid for the AUSDOC Shares, plus any other acquisition and disposal costs, such as stamp duty (if any) and brokerage.

Capital gains and capital losses are aggregated to determine whether you have made a net capital gain or net capital loss in the tax year in which you are treated as having sold your AUSDOC Shares. If there is a net capital gain, then the amount of that net capital gain is included in your assessable income and is subject to ordinary income tax. However, certain AUSDOC Shareholders may be entitled to apply a "CGT Discount" percentage (as discussed below) when working out the amount of the net capital gain to be included in their assessable income.

A net capital loss cannot be deducted against income earned in that tax year or in any later tax year, but may be able to be carried forward to be offset against capital gains in a later tax year.

In general:

- if you have held the relevant AUSDOC Share for less than 12 months before the Acceptance Date, the capital gain or loss is calculated on the difference between the capital proceeds and the cost base for the AUSDOC Share; or
- if you have held the AUSDOC Share for 12 months or more before the Acceptance Date, the capital gain or loss will be calculated using one of the methods described below:
 - if the AUSDOC Share was acquired before 11:45 am on 21 September 1999, the capital gain or loss is generally calculated on the difference between the capital proceeds and the cost base for the AUSDOC Share, which may be indexed for inflation up to 30 September 1999. However, if the AUSDOC Share is held by an individual, a complying superannuation entity or certain kinds of trusts, and that AUSDOC Shareholder elects to use indexation, then they are not entitled to claim a "CGT Discount" (as discussed below); or
 - if the AUSDOC Share was acquired after 11:45 am on 21 September 1999, the capital gain or loss is generally calculated on the difference between the capital proceeds and the cost base for the AUSDOC Share, with no indexation. If the AUSDOC Share is held by an individual, a complying superannuation entity or certain kinds of trusts for 12 months or more before the Acceptance Date, then that AUSDOC Shareholder may also be able to claim a "CGT Discount" (as discussed below).

If an AUSDOC Shareholder is an individual, a complying superannuation entity or a certain kind of trust (but not a company) who held their AUSDOC Share for 12 months or more before the Acceptance Date, they will be entitled to apply a "CGT Discount" percentage to the sale of the AUSDOC Share, if they have not elected to use indexation



of their cost base (as described above). The CGT Discount entitles the AUSDOC Shareholder to reduce any net capital gain on the sale of the AUSDOC Share (after deducting available capital losses of the AUSDOC Shareholder) either by half, in the case of individuals and certain kinds of trusts, or by one-third, in the case of complying superannuation entities. However, trustees (other than trustees of complying superannuation entities) should seek specific advice regarding the tax consequences of distributions attributable to discounted capital gains.

The CGT Discount does not apply to an AUSDOC Share held for less than 12 months before the Acceptance Date and is not available to companies.

The comments above deal with an AUSDOC Shareholder who is assessed under the capital gains tax provisions when they dispose of their AUSDOC Shares. For some AUSDOC Shareholders, for example, those who might sell AUSDOC Shares in the ordinary course of their business or those who acquire AUSDOC Shares for resale at a profit, then the tax consequences will be different. Any gain may generally be taxed as ordinary income and any loss may be an allowable deduction against your ordinary income.

(b) Non-resident AUSDOC Shareholders

AUSDOC Shareholders who are not resident in Australia for tax purposes should also take into account the tax consequences of acceptance of the Offers under the laws of their country of residence, as well as under Australian law. In addition, it is assumed that the AUSDOC Shares are not held as an asset of a permanent establishment which the non-resident AUSDOC Shareholder has in Australia.

If you are a non-resident of Australia for tax purposes, under the capital gains tax laws, you will generally not have to pay Australian tax on any capital gain when you sell your AUSDOC Shares by accepting the Offer, unless (together with associates) you own, or have owned, or you have, or have had the right to own, 10% or more by value of the issued capital of AUSDOC within the five year period before the Acceptance Date in respect of the sale of the AUSDOC Shares.

Certain non-resident AUSDOC Shareholders (for example, those AUSDOC Shareholders who buy and sell AUSDOC Shares in the ordinary course of business, or acquired the AUSDOC Shares for resale at a profit) may be taxed on any gain on the disposal of their AUSDOC Shares in Australia as ordinary assessable income and not as a capital gain. Any loss could be an allowable deduction against any Australian ordinary assessable income.

In some cases, the relevant tax treaty may alter the basis upon which the non-resident AUSDOC Shareholder will be assessed in Australia.

Non-resident AUSDOC Shareholders should seek their own advice. Further, you should also seek advice from your taxation adviser as to the foreign tax implications of accepting the Offer in your country of residence and the potential impact of any relevant double tax treaty.

(c) Stamp duty and Goods and Services Tax ("GST")

No stamp duty or GST is payable on the transfer of AUSDOC Shares to the Bidder pursuant to the Offer.

7 Additional information

7.1 Substantial shareholders

Based upon material lodged with ASX prior to 5:00 pm on 16 July 2002 each of the following persons (on behalf of itself and its associates) had the following substantial shareholdings in the issued ordinary share capital of AUSDOC:

AUSDOC Shareholder	AUSDOC Shares	%
Peter T. Reilly	11,656,458	13.36%
Westpac Banking Corporation	7,014,634	8.04%
Investors Mutual Limited	6,702,376	7.68%
Salomon Smith Barney Australia Pty Limited	4,472,802	5.10%

Bidder's Statement

7.2 Information about AUSDOC

AUSDOC is a company listed on ASX and is subject to the periodic and continuous disclosure requirements of the Corporations Act and ASX Listing Rules. For information concerning the financial position and affairs of AUSDOC, you should refer to the full range of information that has been disclosed by AUSDOC pursuant to these requirements.

In addition, the Corporations Act requires the directors of AUSDOC to provide a target's statement to holders of AUSDOC Shares in response to this Bidder's Statement, setting out certain material information concerning AUSDOC. The Target's Statement is set out in part 4 of this booklet.

7.3 Due diligence

For the purpose of confirming its assessment whether or not to acquire all of the AUSDOC Shares, the Bidder has been given access by AUSDOC to certain information concerning the AUSDOC Group which has not been disclosed generally to AUSDOC Shareholders.

None of the information to which the Bidder was given access is, in the opinion of the Bidder, of such a nature and quality which, if the information were generally available, a reasonable person would expect to have a material effect on the price or value of AUSDOC Shares or, in the opinion of the Bidder and except as disclosed in this Bidder's Statement, would otherwise be material to a decision by an AUSDOC Shareholder whether or not to accept an Offer. However, the fact that the Bidder's decision to make the Offer was confirmed by its review of the information to which it had access may itself be regarded as information material to the decision of an AUSDOC Shareholder whether or not to accept an Offer.

7.4 Freightways redeemable preference shares

The Bidder's present intention is to ensure that FEL continues to comply with its obligations to the holders of FEL RPS. The Bidder has no present intention of redeeming the FEL RPS which will continue to be quoted, and will be tradable, on the New Zealand Stock Exchange. However, consistent with its investment strategy, the Bidder will continue to review the capital structure of the AUSDOC Group to ensure that its internal and external funds are used as efficiently as possible.

7.5 Deed of Undertaking

ABN AMRO Capital and AUSDOC are parties to the Deed of Undertaking which sets out the basis of ABN AMRO Capital's continued involvement in the sale process initiated by the AUSDOC Board. Under the Deed of Undertaking, among other things, AUSDOC must not encourage, solicit or invite bids, statements of intention, expressions of interest or due diligence investigation in relation to AUSDOC Shares or the AIM Business from any other person during the Offer Period, and is required to pay a cash amount to ABN AMRO Capital in certain circumstances if the Bidder's bid is not successful.

On 14 June 2002, ASIC notified AUSDOC that it had applied to the Takeovers Panel for a declaration of unacceptable circumstances in relation to certain arrangements in the Deed of Undertaking.

ABN AMRO Capital and AUSDOC lodged submissions with the Takeovers Panel and provided undertakings that no amount would be paid to ABN AMRO Capital if the 90% minimum acceptance condition in section 4.11(a) was not satisfied (in the absence of a higher offer). On 28 June 2002, the Takeovers Panel announced that it had decided not to make a declaration of unacceptable circumstances in relation to the arrangements in the Deed of Undertaking.

AUSDOC remains liable to pay to ABN AMRO Capital an amount of \$3.5 million if a higher bid is made by another person and that person becomes entitled to 10% or more of the AUSDOC Shares, less any profit realised by ABN AMRO Capital on the sale of any AUSDOC Shares to the higher bidder.

7.6 Options

The Offer does not include an offer to acquire outstanding Options. However, under the Deed of Undertaking, AUSDOC has agreed to use its best endeavours to obtain the agreement of all Option Holders to transfer their Options to the Bidder, or to cancel their Options.



The Option Holders who agree to transfer their Options to the Bidder, or agree to the cancellation of Options, will be paid an amount representing the fair value for each Option as determined by the Bidder and notified to AUSDOC. On this basis, the total amount payable for all of the 1,695,199 Options on issue will be approximately \$1 million. On 8 July 2002, the Directors of AUSDOC (excluding the Managing Director, Mr Alan Freer) sent a letter to all Option Holders stating that they consider that the offer provides fair value for the Options, and that they recommend the Option Holders accept the offer. Mr Freer excused himself from AUSDOC Board discussions on this matter because he is an Option Holder.

To the extent that there are any outstanding Options not exercised, transferred or cancelled at the end of the Offer Period, the Bidder intends to compulsorily acquire those Options pursuant to the compulsory acquisition provisions in Chapter 6A of the Corporations Act.

7.7 Other regulatory matters

The Bidder is a foreign person for the purposes of the Foreign Acquisitions and Takeovers Act as a result of the 100% shareholding of ABN AMRO Capital (itself a foreign person). If the Bidder acquires more than 15% of AUSDOC, AUSDOC will similarly be treated as a foreign person for the purposes of the Foreign Acquisitions and Takeovers Act.

7.8 Other material information

Except as set out elsewhere in this Bidder's Statement or this booklet there is no other information that is:

- (a) material to the making of a decision by an AUSDOC Shareholder whether or not to accept an Offer; and
- (b) known to the Bidder;

and has not previously been disclosed to AUSDOC Shareholders.

7.9 Consents

Where there is a statement:

- (a) by a person included in, or accompanied by, this Bidder's Statement; or
- (b) said in this Bidder's Statement to be based on a statement by a person,

that person has:

- (c) consented to the statement being included in, or accompanying, this Bidder's Statement in the form and context in which it is included; and
- (d) has not withdrawn that consent before this Bidder's Statement was lodged with ASIC.

7.10 Approval of Bidder's Statement

The copy of this Bidder's Statement that is to be lodged with ASIC has been approved by a resolution passed by the directors of the Bidder on 17 July 2002.

7.11 Early dispatch

The AUSDOC Board has agreed to the Bidder dispatching the Bidder's Statement to AUSDOC Shareholders less than 14 days after it was sent to AUSDOC. The AUSDOC Board has also agreed to dispatch the Target's Statements to AUSDOC Shareholders together with the Bidder's Statement.

7.12 Target's Statement

This booklet contains the Target's Statement prepared by AUSDOC and its advisers in response to this Bidder's Statement. The Bidder, ABN AMRO Capital, their related bodies corporate and the officers, employees, servants, agents, representatives and advisers of each:

- (a) are not responsible for the preparation or content of the Target's Statement, any part of the Target's Statement or any information, statement, forecast, prediction or representation contained within the Target's Statement;

Bidder's Statement

- (b) do not verify, attest to or make any representation or warranty in relation to the relevance, accuracy or completeness of the Target's Statement, any part of the Target's Statement or any information, statement, forecast, prediction or representation contained within the Target's Statement; and
- (c) to the extent permitted by law, disclaim and will not be liable for any loss, damage, cost or expense caused or suffered by any person (including, without limitation, an AUSDOC Shareholder), or any Claims arising out of or in connection with the Target's Statement, any part of the Target's Statement or any information, statement, forecast, prediction or representation contained within the Target's Statement, including, without limitation, any loss, damage, cost or expense caused or suffered, or Claims arising, as a result of the negligence of the Bidder, ABN AMRO Capital or their related bodies corporate, officers, employees, servants, agents, representatives or advisers.

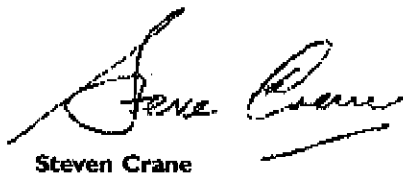
7.13 Governing law

The Offer and any contract resulting from acceptance of the Offer are governed by the law in force in Victoria, Australia.

8 Interpretation

The defined terms and rules of interpretation used in this Bidder's Statement are set out in the Glossary and Interpretation in part 5 of this booklet.

Signed by Steven Crane, for and on behalf of ABN AMRO Capital Australia Pty Ltd as authorised agent pursuant to a resolution passed at a meeting of the directors of ABN AMRO Capital Australia Pty Ltd on 17 July 2002.



Steven Crane

Target's Statement

The AUSDOC logo consists of the word "AUSDOC" in a bold, sans-serif font, with a stylized graphic element to its left.

This Target's Statement is given by AUSDOC under Part 6.5 of the Corporations Act in response to the Bidder's Statement dated 22 July 2002 served by the Bidder on AUSDOC on 22 July 2002.

This Target's Statement is dated 22 July 2002.

A copy of this Target's Statement was lodged with ASIC on 22 July 2002. Neither ASIC nor any of its officers take any responsibility for the content of this Target's Statement.

The Bidder's Statement in part 3 of this booklet was prepared by the Bidder. Neither AUSDOC nor any of its associates take any responsibility for the content of the Bidder's Statement.

Terms used in this Target's Statement are defined in the Glossary in part 5 of this booklet.

Target's Statement

I Your Directors' intentions and recommendation

I.1 Introduction

Your Directors are:

- Mr Michael R Butler (Chairman);
- Mr Alan C Freer (Managing Director);
- Mr Geoffrey D Allen;
- Mr Ian Donald;
- Mr J Michael Feeney; and
- Mr Peter T Reilly.

Full details of each of your Directors' and their respective associates' shareholdings in AUSDOC are provided in section 4.1.

I.2 Directors' intentions

Each of your Directors intends to accept the Offer in respect of the AUSDOC Shares held by them or their associates, in the absence of a higher offer. In addition, AESP as the trustee of the AES Plan, intends to accept the Offer in respect of the AUSDOC Shares held by it, in the absence of a higher offer. Your Directors, their respective associates and AESP collectively hold approximately 15% of AUSDOC Shares.

Further details about the AES Plan are contained in section 3.6.

I.3 Directors' recommendation

Each of your Directors desires to make and considers himself justified in making a recommendation to AUSDOC Shareholders in relation to the Offer.

In the absence of a higher offer, each of your Directors recommends that AUSDOC Shareholders accept the Offer in respect of all of their AUSDOC Shares for the reasons set out in section 1.4.

I.4 Reasons for recommendation

(a) The Offer represents fair value

Your Directors consider that the Offer represents fair value for your AUSDOC Shares, having regard to the operations, current and expected future earnings, financial position and risk profile of AUSDOC.

(b) The Offer values AUSDOC at a substantial premium to the AUSDOC Share price prior to the announcement of the AUSDOC sale process

The Offer price of \$2.15 cash per AUSDOC Share represents:

- a 32% premium to the one month volume weighted average price of \$1.63 per AUSDOC Share to the close of trading on 19 December 2001, the day prior to the commencement of the AUSDOC sale process;
- a 41% premium to the three month volume weighted average price of \$1.53 per AUSDOC Share to the close of trading on 19 December 2001; and
- a 46% premium to the volume weighted average price of \$1.47 per AUSDOC Share from 1 January 2001 to 19 December 2001.



(c) Strategic review and sale process

During 2000 and 2001, AUSDOC undertook a significant restructuring process, including the sale of non-core and non-performing businesses, the reorganisation of under-performing businesses and changes to management and the AUSDOC Board. In mid 2001, the newly constituted management team initiated a strategic review with the assistance of UBS Warburg. This review was completed in early October 2001 and resulted in the identification of a number of key initiatives to increase value for AUSDOC Shareholders.

On 19 December 2001, AUSDOC announced that it would seek expressions of interest in relation to the sale of its business units or for AUSDOC as a whole. The decision to commence a public sale process for AUSDOC's businesses was based on the Directors' belief that the AUSDOC Share price was trading at less than fair value and public statements by AUSDOC Shareholders including Babcock & Brown, various supporters of Babcock & Brown and interests associated with former managing director Mr Peter T Reilly, that some form of value release was favoured. In that context, and after consultation with certain institutional AUSDOC Shareholders, your Directors considered it was in the best interests of AUSDOC Shareholders to seek to realise value for AUSDOC Shares through an orderly and competitive sale process.

It was expected that the sale process would result in the sale by AUSDOC of one or more businesses, or that the process would result in a takeover offer for AUSDOC Shares.

The AUSDOC sale process was conducted in an open and competitive manner. A large number of parties expressed interest in AUSDOC's businesses or in AUSDOC as a whole. As announced in February 2002, selected parties were invited to conduct due diligence as part of the sale process.

Following the sale process, ABN AMRO Capital was selected as the preferred party to make a takeover offer for AUSDOC Shares. On 22 May 2002, AUSDOC and ABN AMRO Capital entered into the Deed of Undertaking with respect to the proposed takeover offer for AUSDOC Shares. Further details of the terms of the Deed of Undertaking are set out in section 2.2. The Offer by the Bidder, a wholly owned subsidiary of ABN AMRO Capital, was assessed to be the preferred method of delivering value to AUSDOC Shareholders.

(d) No higher offer

At the date of this Target's Statement, AUSDOC is not aware of any party intending to make an offer for all AUSDOC Shares which is higher than the Offer.

(e) Risk of lower AUSDOC Share price if Offer fails

In the absence of a higher offer, or other activity that may cause a rise in the AUSDOC Share price or an increase in equity market values generally, AUSDOC Shares may trade below the Offer price in the short term if the Offer does not succeed.

(f) AUSDOC's ability to pay franked dividends is limited

As at 30 June 2002, AUSDOC had no franking credits available for distribution and negative retained earnings. Accordingly, AUSDOC will only be able to pay dividends sourced from future earnings and it is unlikely that any dividends will be franked during the year ending 30 June 2003. Further, as a significant proportion of AUSDOC's earnings will be sourced from New Zealand on an ongoing basis, AUSDOC's future ability to fully frank dividends may be limited.

(g) The Offer is a straight forward cash offer

By accepting the Offer, you will receive \$2.15 cash for each of your AUSDOC Shares if the Offer becomes or is declared unconditional. You will not pay any brokerage or stamp duty if you accept the Offer.

Target's Statement

2 Specific issues to consider

2.1 Your alternatives

To assist you in determining how to deal with the Offer, your alternatives and the possible outcomes of each of your alternatives (based on statements in the Bidder's Statement) are set out in the table below.

YOUR ALTERNATIVES			
Possible Outcomes	Accept the Offer	Sell your AUSDOC Shares on market	Take no action
OFFER PROCEEDS All of the Offer Conditions are satisfied or waived	<p>You will receive \$2.15 cash for each of your AUSDOC Shares without incurring brokerage costs or stamp duty.</p> <p>You will be paid on or before the earlier of:</p> <ul style="list-style-type: none"> ■ one month after the date you accept the Offer and the Offer becomes or is declared unconditional; and ■ 21 days after the end of the Offer Period if the Offer becomes or is declared unconditional and you have accepted the Offer. 	<p>You will receive a cash amount equivalent to the prevailing market price at which you sell your AUSDOC Shares, less any brokerage and other costs payable.</p> <p>You will lose the right to accept the Offer, to benefit from any increase in that Offer or to accept any competing higher offer which may eventuate.</p>	<p>The Bidder has stated that it intends to compulsorily acquire your AUSDOC Shares if it is entitled to do so. If this occurs, you will receive the same price as other AUSDOC Shareholders who accepted the Offer. However, you will receive the money later than the AUSDOC Shareholders who accepted the Offer.</p>
OFFER FAILS Not all of the Offer Conditions are satisfied or waived	<p>You will continue to hold your AUSDOC Shares.</p>	<p>As above.</p>	<p>You will continue to hold your AUSDOC Shares.</p>

If you are in any doubt as to the action that you should take in relation to the Offer, you should consult your stockbroker or financial or legal adviser.

2.2 Other important considerations

In deciding whether to accept the Offer, AUSDOC Shareholders should carefully consider the following matters:

(a) Exclusivity and break fees

The Deed of Undertaking contemplated a possible takeover offer by ABN AMRO Capital for AUSDOC Shares and formed the basis of the negotiations which resulted in the Offer.

Under the Deed of Undertaking, until the end of the Offer Period, AUSDOC is not permitted to:

- encourage, solicit or invite bids, statements of intention or expressions of interest or due diligence investigations in relation to AUSDOC Shares or the AIM Business; or
- negotiate the sale with, or otherwise attempt to sell to or provide information to, any person other than ABN AMRO Capital in relation to AUSDOC Shares or the AIM Business.



However, AUSDOC is permitted to respond to any unsolicited and uninvited offer, statement of intention or expression of interest in relation to AUSDOC Shares if failing to respond would constitute a breach of the Directors' fiduciary duties or statutory obligations or would otherwise be unlawful. If AUSDOC does respond to such offer, statement of intention or expression of interest, it must notify ABN AMRO Capital immediately of that fact, the identity of the person with whom the negotiations have been entered into and the details of the bid, statement of intention or expression of interest made by that person.

AUSDOC is not obliged to comply with its exclusivity or notification obligations, as outlined above, if to do so would, in the reasonable opinion of your Directors (after having taken legal and other advice), constitute a breach of the Directors' fiduciary duties or statutory obligations or would otherwise be unlawful.

The Deed of Undertaking also provides that AUSDOC will make certain payments to ABN AMRO Capital if specified circumstances occur. On 14 June 2002, ASIC announced that it would challenge some of these payments before the Takeovers Panel. The Takeovers Panel reviewed the Deed of Undertaking and on 28 June 2002 announced that it would not be making the declarations sought by ASIC. The Takeovers Panel decision followed the receipt of submissions by the relevant parties and undertakings by AUSDOC and ABN AMRO Capital that no amount would be payable by AUSDOC to ABN AMRO Capital if the Bidder does not secure 90% of AUSDOC Shares (in the absence of a higher offer by a third party).

On the basis of these undertakings, and because all the other specified circumstances are no longer relevant, AUSDOC only has an obligation to make a payment in the nature of a break fee to ABN AMRO Capital under the Deed of Undertaking if an offer higher than the Offer is made by any person and that person is or becomes entitled to 10% or more of AUSDOC Shares. In these circumstances, AUSDOC would be obliged to pay ABN AMRO Capital \$3.5 million, less any profit made by ABN AMRO Capital on the sale of AUSDOC Shares into the higher offer.

(b) Higher offer from a person other than the Bidder

If you accept the Offer, you may give up the opportunity to benefit from any higher offer made by another bidder for your AUSDOC Shares, should such an offer emerge. There is no certainty that another takeover offer will be made or announced for AUSDOC Shares. As at the date of this Target's Statement, AUSDOC is not aware of any party intending to make an offer for all AUSDOC Shares which is higher than the Offer. However, if another takeover offer is announced during the Offer Period, AUSDOC will issue a separate target's statement to AUSDOC Shareholders in respect of that alternative takeover offer.

(c) Higher offer from the Bidder

If you accept the Offer and the Bidder subsequently increases the price of its Offer during the Offer Period, you will receive the benefit of the higher price the Bidder offers, regardless of when you accepted the Offer.

(d) The Offer is conditional

The Offer and any contracts resulting from acceptance of the Offer, are subject to the satisfaction or waiver of the Offer Conditions, as detailed in section 4.11 of the Bidder's Statement (summarised in section 2.3 (d)). You will not receive payment from the Bidder if you accept the Offer until after the Offer becomes or is declared unconditional.

(e) Limited right to withdraw acceptance

If you accept the Offer (even while it remains subject to any of the Offer Conditions), you will be unable to sell your AUSDOC Shares on market or to any other party (including a competing offeror should one present itself) or otherwise deal with your AUSDOC Shares, subject to your limited statutory right to withdraw your acceptance.

You have a statutory right to withdraw your acceptance if the Bidder postpones the time that it is required to satisfy its obligations under the Offer by more than one month and the Offer is still subject to any of the Offer Conditions. This will usually occur if the Bidder extends the Offer Period by more than one month while the Offer is still conditional. The notice of variation that the Bidder would be required to send you if that occurs will set out how you may exercise your right of withdrawal.

Target's Statement

If all the Offer Conditions are not satisfied or waived by the end of the Offer Period (as extended if the Bidder chooses to extend the Offer Period), you will remain an AUSDOC Shareholder and you will be free to deal with your AUSDOC Shares.

(f) Taxation

AUSDOC Shareholders could incur a liability for taxation, depending on their individual circumstances, as a result of accepting the Offer. The extent of that liability will depend on each AUSDOC Shareholder's individual circumstances.

AUSDOC Shareholders who are individuals, complying superannuation entities or certain kinds of trusts (but not companies) should also be aware that they will not be eligible to discount any capital gain they have made by accepting the Offer, if that acceptance is made within 12 months of the date of acquisition of those AUSDOC Shares.

Section 6 of the Bidder's Statement contains a general summary of the Australian tax considerations for certain AUSDOC Shareholders. The discussion of the tax implications in the Bidder's Statement is not intended to be an authoritative or complete statement of the law applicable to any specific AUSDOC Shareholder. The comments in the Bidder's Statement do not address the tax implications for AUSDOC Shareholders who are non-residents or who may hold their investments on revenue account such as banks, insurance companies and taxpayers that carry on a business of trading in shares or hold their shares for resale at a profit. The income tax and capital gains tax implications for AUSDOC Shareholders will depend on their personal circumstances and the decisions these AUSDOC Shareholders make.

AUSDOC Shareholders should seek their own taxation advice and consider whether to accept the Offer having regard to their own circumstances.

2.3 Terms of the Offer

(a) Offer price

The Bidder is offering \$2.15 cash for each AUSDOC Share.

(b) Offer Period

Unless the Offer is withdrawn or extended, it is open for acceptance from 22 July 2002 to 7:00pm 23 August 2002. If you choose to accept the Offer, your acceptance must be received before the end of the Offer Period. Instructions on how to accept the Offer are set out in section 4.4 of the Bidder's Statement and on the enclosed green Acceptance Form. You should follow those instructions carefully to ensure that your acceptance is valid.

(c) Extension of the Offer Period

If, within the last seven days of the Offer Period:

- the Bidder increases the consideration under the Offer; or
- the Bidder's voting power in AUSDOC increases to more than 50%,

the Offer Period will be extended so that it concludes 14 days after the relevant event.

While the Offer is conditional, the Bidder may, at its sole discretion, extend the Offer Period at any time before it publishes the notice required by the Corporations Act regarding the status of the Offer Conditions (refer to section 4.16 of the Bidder's Statement).

If all the Offer Conditions are satisfied or waived, the Bidder may, at its sole discretion, extend the Offer Period at any time before the end of the Offer Period.

(d) Conditional Offer

The Offer is subject to the Offer Conditions which are set out in full in section 4.11 of the Bidder's Statement.

In summary, these conditions are that:

- (i) the Bidder and its associates acquire a relevant interest in at least 90% (by number) of the AUSDOC Shares;



- (ii) AUSDOC's consolidated EBITA, disregarding the operating performance of the DX Group Business and GoMail Aggregation Business, for the year to 30 June 2002 is not less than \$30.5 million;
- (iii) AUSDOC's consolidated net assets, disregarding the net assets of the DX Group Business and the GoMail Aggregation Business, as at 30 June 2002 are not less than \$27.7 million;
- (iv) execution of binding documentation regarding the Sydney Premises Consolidation occurs;
- (v) the closure of the GoMail Aggregation Business is completed; and
- (vi) no prescribed occurrence, as described in section 652C of the Corporations Act, eventuates.

As at the date of this Target's Statement, the Directors are not aware of the existence of any matter that may prevent fulfilment of the Offer Conditions.

AUSDOC has completed trading for the year to 30 June 2002. In relation to the condition summarised in (ii) above, as at the date of this Target's Statement, AUSDOC estimates that its consolidated EBITA, disregarding the operating performance of the DX Group Business and GoMail Aggregation Business, for the year to 30 June 2002 was approximately \$31.7 million. Based on this estimate, AUSDOC expects the condition summarised in (ii) above will be satisfied within the Offer Period.

In relation to the condition summarised in (iii) above, as at the date of this Target's Statement, AUSDOC estimates that its net asset position on 30 June 2002, disregarding the net assets of DX Group Business and GoMail Aggregation Business, was approximately \$33.3 million. Based on this estimate, AUSDOC expects the condition summarised in (iii) above will be satisfied within the Offer Period.

In relation to the condition summarised in (iv) above, AUSDOC notes that, as at the date of this Target's Statement, documentation regarding the Sydney Premises Consolidation is being negotiated by the relevant parties and AUSDOC expects that binding documents will be executed within the Offer Period.

In relation to the condition summarised in (v) above, AUSDOC notes that, as at the date of this Target's Statement, the closure of the GoMail Aggregation Business is substantially complete and is expected to be finalised within the Offer Period.

The Corporations Act requires the Bidder to publish a notice towards the end of the Offer Period stating whether the Offer Conditions have been satisfied or waived. In section 4.16 of its Bidder's Statement, the Bidder has indicated that it will publish this notice on 15 August 2002. The Bidder may declare its Offer free of some or all of the Offer Conditions before that date. The Bidder has stated in its Bidder's Statement that it does not presently intend to waive the 90% minimum acceptance condition. However, this decision will be made by the Bidder and will be based upon the facts and the circumstances at the relevant time.

Unless all of the Offer Conditions are waived or satisfied the Offer and any contracts resulting from your acceptance of it are subject to the satisfaction of those outstanding Offer Conditions. Accordingly, no payment for any of your AUSDOC Shares in respect of which you have accepted the Offer will be made until after the contract resulting from your acceptance of the Offer becomes or is declared unconditional. If all the Offer Conditions are not satisfied or waived at the end of the Offer Period, all contracts resulting from acceptances of the Offer will be void.

The joint announcement by AUSDOC and ABN AMRO Capital on 18 June 2002 provided that the proposed offer would also be conditional on the following:

- the Treasurer does not object to the proposed acquisition by the Bidder of all the AUSDOC Shares under the Foreign Acquisitions and Takeovers Act;
- as at 30 June 2002, the consolidated net debt of AUSDOC (including an allowance for the net cost of acquiring the Options and the costs of the AUSDOC sale process) does not exceed \$84.1 million (as adjusted for the sale of the DX Group Business and the closure of the GoMail Aggregation Business);
- before the end of the Offer Period, completion of the Sunshine Property Transaction for net consideration of not less than \$8.5 million occurs; and
- before the end of the Offer Period, the sale of the DX Group Business is completed.

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In relation to these conditions:

- on 16 July 2002, AUSDOC announced that it had received notice from ABN AMRO Capital that the Treasurer does not object to the proposed acquisition by the Bidder of all the AUSDOC Shares under the Foreign Acquisitions and Takeovers Act;
- as at the date of this Target's Statement, AUSDOC estimates that its consolidated net debt as at 30 June 2002 (including allowance for the net cost of acquiring the Options and the costs of the AUSDOC sale process) was approximately \$74.1 million (as adjusted for the sale of the DX Group Business and the closure of the GoMail Aggregation Business);
- on 26 June 2002, AUSDOC announced that the Sunshine Property Transaction had been completed for net consideration of approximately \$9 million; and
- on 1 July 2002, AUSDOC announced that the sale of the DX Group Business had been completed as at 30 June 2002.

Accordingly, these conditions proposed in the joint announcement by AUSDOC and ABN AMRO Capital on 18 June 2002 have been satisfied and therefore have not been included in the Offer Conditions.

(e) Withdrawal of the Offer

The Bidder may not withdraw the Offer if you have already accepted it. Before you accept the Offer, the Bidder may only withdraw the Offer with the written consent of ASIC.

(f) Compulsory acquisition

The Bidder will be entitled to compulsorily acquire any outstanding AUSDOC Shares for which it has not received acceptances on the same terms as the Offer if, during or at the end of the Offer Period, the Bidder and its associates:

- have a relevant interest in at least 90% (by number) of the AUSDOC Shares; and
- have acquired at least 75% (by number) of the AUSDOC Shares which are the subject of the Offer.

If these two requirements are satisfied, the Bidder may commence the compulsory acquisition of all outstanding AUSDOC Shares during the Offer Period or within one month from the end of the Offer Period. AUSDOC Shareholders have statutory rights to challenge compulsory acquisition. However, a successful challenge requires the relevant AUSDOC Shareholders to establish to the satisfaction of a court that the terms of the Offer do not represent fair value for AUSDOC Shares. AUSDOC Shareholders should be aware that, if their AUSDOC Shares are compulsorily acquired, they are not likely to receive any payment until at least one month after the compulsory acquisition notices are sent.

(g) Freightways redeemable preference shares

For the avoidance of doubt, the Offer does not relate to the FEL RPS and the Offer does not affect the terms of the FEL RPS.

3 Other material information

3.1 AUSDOC's consolidated financial position as at the date of this Target's Statement

AUSDOC's interim report for the nine months ended 31 March 2002 was provided to ASX on 6 May 2002. Highlights of that report included:

- a 6% increase in EBITA compared to the previous corresponding period, driven by:
 - an excellent performance in the FEL Business, including 7% revenue and 18% EBITA growth;
 - a strong result in the AIM Business, including 7% revenue and 26% EBITA growth on a like for like basis;



- improved operating performance of the DX Couriers Business; and
- GoMail Aggregation Business performance below expectations;
- \$3.8 million in NPAT, before significant items, representing a 35% increase on the previous corresponding period;
- a reduction in AUSDOC's consolidated net debt (including finance lease liabilities) to \$84 million, a \$38 million reduction from the March 2001 figure; and
- confirmation that AUSDOC was expecting a full year NPAT result largely in line with the forecast of \$6 million made by the AUSDOC Chairman at the November 2001 annual general meeting, excluding the impact of the AUSDOC sale process.

Between 6 May 2002 and 5:00 pm on 16 July 2002, AUSDOC has made announcements to ASX as listed below. These announcements are available on ASX website at www.asx.com.au.

Date	Announcement
07/05/2002	Becoming a substantial shareholder notice from Westpac Banking Corporation
14/05/2002	AUSDOC enters exclusive negotiations for the sale of Freightways
15/05/2002	Change in substantial shareholding notice from Investors Mutual Ltd
22/05/2002	AUSDOC enters exclusive negotiations for takeover offer
27/05/2002	Notice of resignation of Topfer & Tyndale from Board of Directors
30/05/2002	Negotiations fail to deliver agreement on Freightways sale
03/06/2002	Ceasing to be a substantial shareholder notice from NM Rothschild
03/06/2002	AUSDOC enters exclusive negotiations to sell the DX Group
14/06/2002	Trading halt until 17 June 2002
14/06/2002	Notice of ASIC's application to the Takeovers Panel
17/06/2002	DX Group sale negotiations continue
18/06/2002	Trading halt until 19 June 2002
18/06/2002	ABN AMRO Capital bids \$2.15 cash for AUSDOC / Board recommends acceptance Executed binding agreement to sell DX Group
21/06/2002	Change in substantial shareholding notice from Investors Mutual Ltd
21/06/2002	Ceasing to be a substantial shareholder notice from Taviton Group (an associate of Babcock & Brown)
26/06/2002	Sale & lease back of Sunshine warehouse facility
28/06/2002	Takeovers Panel makes no declaration in respect of the ABN AMRO Capital takeover bid
01/07/2002	Completes sale of DX Group
09/07/2002	Appendix 3B - exercise of employee options
15/07/2002	Becoming a substantial shareholder notice from Salomon Smith Barney Australia Pty Ltd
16/07/2002	Change of registered address
16/07/2002	No objection from FIRB to AUSDOC takeover

3.2 Changes in financial position

The Directors are not aware of any material change to AUSDOC's financial position, as disclosed in its interim report for the 9 months ended 31 March 2002 or as disclosed in any announcement made to ASX, other than as follows:

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- on 3 June 2002, AUSDOC announced that it had decided to close the GoMail Aggregation Business. As a result of this closure, AUSDOC has incurred net costs of approximately \$13 million, including the write-down of business equipment. The GoMail Aggregation Business incurred an EBITA loss of approximately \$5 million for the year to 30 June 2002. The closure of the GoMail Aggregation Business is now substantially complete;
- on 18 June 2002, AUSDOC announced that it had executed binding documentation for the sale of the assets of the DX Group Business, comprising the DX Couriers Business, the ADX Business and the GoMailroom Business, to a subsidiary of Toll Holdings Limited. On 1 July 2002 AUSDOC announced that the sale of the DX Group Business had been completed as of 30 June 2002. The sale realised approximately \$18.5 million in book losses, relating to the write-off of acquired goodwill and brandnames in the AUSDOC consolidated statement of financial position;
- on 26 June 2002, AUSDOC completed the sale and lease back of the Sunshine Property. Net proceeds from the sale were in excess of \$9 million, resulting in a profit on sale of approximately \$2.7 million. The initial rental payable is \$790,000 per annum;
- AUSDOC has signed a memorandum of understanding in relation to the Sydney Premises Consolidation. Based on the plans and budgets for this project, AUSDOC will raise a provision (net of tax) of approximately \$2.7 million at 30 June 2002, resulting in a charge against profit (net of tax) of an equal amount;
- AUSDOC has committed significant funds to the sale process that has resulted in the Offer from the Bidder. As at the date of this Target's Statement, AUSDOC expects the total costs of the sale process to be approximately \$6.5 million; and
- during the year ended 30 June 2002, more than 50% of AUSDOC Shareholders who were on the AUSDOC share register as at 30 June 2001 ceased to hold AUSDOC Shares. Accordingly, AUSDOC believes it has failed the continuity of ownership test for income tax purposes in respect of the 2002 financial year. In light of the disposal of the AUSDOC OnDemand business (completed November 2001), the DAS Distribution business (completed November 2001) and the DX Group Business (completed 30 June 2002) and the closure of the GoMail Aggregation Business, AUSDOC is not entitled to apply tax losses incurred in the 2002 and prior years against future taxable profits. As at the date of this Target's Statement, it is estimated that approximately \$7 million of deferred tax assets, previously disclosed as assets in the AUSDOC statement of financial position, will be written-off against profit in the 30 June 2002 accounts.

The net financial effect of the above significant items will be a loss of approximately \$45 million for the year ended 30 June 2002. After allowing for estimated NPAT of approximately \$6 million, the total consolidated equity position of AUSDOC is expected to reduce from \$77.9 million at 31 December 2001 to \$38.3 million at 30 June 2002.

3.3 Estimated 2002 financial position

The estimated financial position of AUSDOC as at 30 June 2002 is detailed below, in the form of an abridged statement of financial position. The financial position as at 30 June 2001 and 31 December 2001 is shown for comparative purposes.

	30 June 2001 Actual (\$m)	31 December 2001 Actual (\$m)	30 June 2002 Estimate (\$m)
Net tangible operating assets	93.8	92.3	45.1
Intangible assets	127.4	122.3	99.1
Borrowings - bank & finance leases (net of cash)	(97.2)	(90.5)	(55.5)
Borrowings - FEL RPS	(47.5)	(46.2)	(50.4)
Net assets	76.5	77.9	38.3
Share capital	98.9	98.9	98.9
Accumulated losses & reserves	(22.4)	(21.0)	(60.6)
Total equity	76.5	77.9	38.3



Over the six months ended 30 June 2002 AUSDOC's net debt (excluding FEL RPS) has reduced by \$35.0 million to \$55.5 million and net tangible assets have decreased by \$16.4 million to negative \$60.8 million. The significant items which have had an impact on AUSDOC's financial position over this period are summarised in section 3.2 and include the proceeds received from and write-offs associated with the sale of the DX Group Business, the cash costs and write-offs which resulted from the closure of the GoMail Aggregation Business and the proceeds received from and the profit earned on the Sunshine Property Transaction.

The estimated financial information for the year ended 30 June 2002 referred to in this Target's Statement is AUSDOC's best estimate of the relevant information as at the date of this Target's Statement and is subject to further review and audit.

Operating lease commitments for the year ending 30 June 2003 are forecast to be approximately \$12 million. This compares to a forecast of \$14 million for the year ended 30 June 2002 which was included in AUSDOC's 2001 Annual Report. The forecast information relating to the year ended 30 June 2002 includes commitments of AUSDOC businesses sold or closed during that year.

On 26 June 2002 AUSDOC announced the sale and lease back of the Sunshine Property. Proceeds of approximately \$9 million received from this sale were applied to reduce AUSDOC's net debt balance as at 30 June 2002. As a result of the Sunshine Property Transaction, AUSDOC will incur additional rental of initially \$790,000 per year. This amount is included in the \$12 million estimate of operating lease commitments over the year ending 30 June 2003.

As at 30 June 2002, AUSDOC had no franking credits available for distribution and negative retained earnings. Accordingly, AUSDOC will only be able to pay dividends sourced from future earnings and it is unlikely that any dividends will be franked during the year ending 30 June 2003. Further, as a significant proportion of AUSDOC's earnings will be sourced from New Zealand on an ongoing basis, AUSDOC's future ability to fully frank dividends may be limited.

3.4 Forecast 2003 financial performance

In order to assist AUSDOC Shareholders to make an informed decision about whether or not to accept the Offer, your Directors provide the following summary information regarding the forecast financial performance of AUSDOC for the year ending 30 June 2003.

	Proforma estimate for year ended 30 June 2002	Forecast for year ending 30 June 2003
Revenue (\$m)	215	210 - 230
EBITA (\$m)	32	31 - 34
NPAT (\$m)	na	10 - 12
EPS (¢)	na	11.5 - 13.8
Cash EPS (¢)	na	16.4 - 18.7

- Notes:
1. The proforma estimates for the year ended 30 June 2002 have been prepared on the basis that AUSDOC solely comprises the AIM Business, the FEL Business and the AUSDOC head office. The DX Group Business and the GoMail Aggregation Business have been excluded.
 2. Due to the sale of the DX Group Business and the closure of the GoMail Aggregation Business it is not appropriate to provide proforma NPAT, EPS or Cash EPS estimates for the year ended 30 June 2002.
 3. Forecast 2003 EPS and Cash EPS are based on 87,248,735 AUSDOC Shares on issue as at the date of this Target's Statement.
 4. Cash EPS is defined in the Glossary in part 5 of this booklet.

The 2002 proforma estimate and the 2003 forecast has been prepared on the basis that AUSDOC comprises its current operating structure, incorporating the AIM Business, the FEL Business and the AUSDOC head office. The 2002 proforma estimate and the 2003 forecast exclude the costs and any other outcomes associated with the Offer, the costs associated with the AUSDOC sale process (including the sale of the DX Group Business), the DAS

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Distribution business and the AUSDOC OnDemand business, and the closure of the GoMail Aggregation Business and assumes that no other amounts will be payable or receivable in relation to these transactions. Appropriate provisions for these sale costs have been made in the estimated statement of financial position as at 30 June 2002 set out in section 3.3.

(a) Basis of preparation

The forecast financial performance for the year ending 30 June 2003 is based on the Directors' assessment of current economic and operating conditions in each of the AUSDOC businesses. The forecasts are the Directors' best estimates only and are based on a number of best estimate assumptions, the most important of which are outlined below.

The forecast financial performance for the year ending 30 June 2003 is based on assumptions about future events and actions which may or may not occur. The nature of forecasts means they are inherently uncertain and subject to variation for a range of reasons, many of which are outside the control of AUSDOC or the Directors. Because events do not always occur as anticipated, the forecasts may differ from the financial performance which is actually achieved by AUSDOC over the year ending 30 June 2003 and the differences may be material. Accordingly, AUSDOC and the Directors cannot and do not represent, warrant or guarantee that those forecasts will actually be achieved.

Key general assumptions

- There are no material acquisitions or disposals of businesses or assets other than those announced prior to the date of this Target's Statement.
- There is no significant change in the business strategy of any of the AUSDOC businesses, including the timing and amount of any capital expenditure.
- There are no material changes in the economic or fiscal conditions, including in any of the regions in which each of the AUSDOC businesses operate.
- There is no material change in the industry structure or competitive environment in which each of the AUSDOC businesses operates.
- There is no material change in the legislative or regulatory environment, including the taxation regime, in which each of the AUSDOC businesses operates.
- There are no changes in Australian Accounting Standards, the Corporations Act or any other legislative or otherwise mandatory reporting requirements to which AUSDOC is subject which would have a material impact on AUSDOC's financial performance.
- There are no significant costs incurred by any AUSDOC business as a result of industrial or contractual disputes or litigation, other than as expressly included in the forecast.
- There is no significant change to any material agreement between AUSDOC or any of the AUSDOC businesses and the relevant counterparty and all material agreements to which AUSDOC is a party continue to be performed substantially in accordance with their terms.
- There are no individually significant or extraordinary items.
- There will be GDP growth of 3% per annum and inflation of 2% per annum in each of Australia and New Zealand.
- The average interest rate on AUSDOC borrowings will be 7.5% per annum.
- The average dividend rate on FEL RPS will be 9.95% per annum inclusive of imputation credits, if any.
- An average exchange rate of NZ\$1.00: A\$0.82.



Key divisional business assumptions

AIM Business

- The current AIM Business structure and business segmentation will remain unchanged.
- There will be an increase in revenue of approximately 7%.
- The current market share for new and existing business will be maintained.
- Prices will increase in accordance with past practice.
- Current operating margins will be maintained.
- There will be an incremental improvement in overhead costs as a percentage of revenue.
- The Sydney Premises Consolidation will complete on substantially the terms set out in the memorandum of understanding dated 5 March 2002 between AIM and Macquarie Goodman and within the expected timeframe.
- The current information technology project (Loc@te) will complete as scheduled and achieve budgeted efficiencies.

FEL Business

- The current FEL structure and business segmentation will remain unchanged.
- There will be an increase in NZ\$ revenue of approximately 5% as a result of the assumed EDP growth, improvements in market share and price increases (although competitive pressures will result in price increases lower than the previous year).
- Current operating margins will be maintained.
- There will be an incremental improvement in overhead costs as a percentage of revenue.
- The current information technology infrastructure will remain unchanged.
- There will be no significant change in customers' sales and redemption patterns in respect of prepaid courier product.

If AUSDOC performs in accordance with the assumptions set out above, your Directors expect that the actual revenue, EBITA, NPAT, EPS and Cash EPS for the year ending 30 June 2003 will be at the higher end of the specified ranges of the forecast financial performance of AUSDOC.

(b) Risk factors

There are a number of risk factors which could adversely impact AUSDOC's financial performance and cause that performance to differ from the forecasts. These risk factors include:

- economic risk: AUSDOC and its businesses may be affected by changes in domestic or international fiscal or monetary policies, fluctuations in economic variables such as interest rates or exchange rates, or the general level of economic activity;
- regulatory risk: changes to the regulatory environment, including taxation regimes, may impact on AUSDOC's financial performance;
- competition risk: the structure of the markets in which AUSDOC operates may alter or new competitors may enter some or all of those markets, resulting in increased competition. Increased competition may result in lower prices, operating margins and profit for AUSDOC;
- financing risk: the ability of AUSDOC to implement its business strategy may, in part, depend on its ability to raise additional debt or equity funding at some future time. There can be no assurance that such funding will be available, or that it will be available on terms attractive to AUSDOC;

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- operating risk: AUSDOC takes all steps it believes are reasonably required to ensure compliance with good business practice, contractual obligations and applicable legislation. However, the potential failure of AUSDOC to operate in accordance with good business practice, to comply with its contractual obligations or to comply with applicable legislation may result in an adverse impact on AUSDOC's financial performance or business reputation, or litigation or action by regulatory authorities against AUSDOC;
- employee risk: while AUSDOC seeks to ensure that the services of key personnel are retained and that appropriately qualified and experienced personnel are hired as required by its businesses, there is no assurance that this will be achieved;
- information technology risk: AUSDOC's businesses operate information technology systems which support their product and service offerings. While AUSDOC maintains and upgrades its information technology systems as it believes is appropriate, a serious system failure could negatively impact on AUSDOC's operating and financial performance; and
- business sale risk: as a part of the sales of the AUSDOC OnDemand business, the DAS Distribution business and the DX Group Business a number of liabilities were transferred to the purchasers of those businesses. A failure by any of these purchasers to discharge or satisfy any of those liabilities will impact on AUSDOC's performance as will any successful claims made by the purchasers of those businesses against AUSDOC.

(c) Sensitivity analysis

The forecasts are based on a number of economic and operational assumptions about future events. To assist AUSDOC Shareholders to understand the impact that some of the key assumptions have on the forecasts, the Directors provide the following information.

Impact on forecast NPAT for the year ending 30 June 2003 (\$m)	
Base forecast	10 – 12
Event:	
+ 1 percentage point in interest rate per annum	- 0.7
- 1 percentage point in interest rate per annum	+ 0.7
5% appreciation of NZ\$ against A\$	+ 0.5
5% depreciation of NZ\$ against A\$	- 0.5
+ 5% change in revenue per annum	+ 2.7
- 5% change in revenue per annum	- 2.7

The impact on forecast NPAT is shown for illustrative purposes only. There may be a different proportionate or absolute impact on a different measure of financial performance.

The sensitivity analysis is indicative only as it assumes no AUSDOC management response to the changed circumstances. It is likely that AUSDOC management would respond to an event which is expected to adversely impact AUSDOC's financial performance, although the method and effectiveness of the management response cannot be determined at this time. The sensitivity analysis also treats each change in the assumptions in isolation. This may or may not be a correct reflection of how any change would affect AUSDOC's businesses.

(d) Methodology

The forecast information shown in this section 3.4 has been sourced from AUSDOC's consolidated forecast information. The consolidated forecast information is comprised of detailed divisional forecast information from the AIM Business, the FEL Business, AUSDOC head office and AUSDOC forecasts of debt levels, income tax outcomes, intangible asset balances and consolidation adjustments.



Divisional forecasts have been generated at the operational branch level and have been subject to a robust accumulation process and a detailed review by the divisional management teams.

Divisional forecasts have been formally presented to AUSDOC's senior management for review and approval.

The forecast information shown in this section 3.4 has been prepared on a basis consistent with the accounting and industry standards to which financial disclosures by AUSDOC have been made in the last two years.

The assumptions listed in this section 3.4 have been applied consistently within the relevant division and reviewed by management and your Directors for reasonableness.

3.5 Litigation

AUSDOC has no material litigation in progress or pending, except as disclosed to ASX or summarised below:

- an approximately C\$389,000 claim by a customer of Dyad Data Limited in relation to actions which largely occurred prior to AUSDOC's ownership of the business. As a result of this claim, AUSDOC has withheld approximately C\$543,000 of the final payment due to the former owners of Dyad Data Limited;
- a claim for approximately \$420,000 relating to actions taken by Stocklink Distribution Pty Ltd (operating as DAS Distribution) when the business was owned by AUSDOC. DAS Distribution was sold in November 2001; and
- AUSDOC has been joined by way of cross-claim to proceedings recently commenced by the Royal Institute for Deaf and Blind Children ("Institute") against Commonwealth of Australia. The proceedings relate to damage caused to premises owned by the Institute and occupied by the DAS Distribution business both prior and during AUSDOC's ownership of the DAS Distribution business. In associated proceedings, the Institute has made claims against the previous owner, builder and engineer in relation to the damaged premises. Those proceedings are scheduled to commence in September 2002. The possible quantum of the Institute's damages (arising from alleged faulty design and construction) is \$2.5 million. If the proceedings are successful, the proceedings to which AUSDOC has been joined are likely to be discontinued. The proceedings involving AUSDOC are likely to be stayed pending a final determination of the initial proceedings.

3.6 AUSDOC employee share plan ("AES Plan")

AESP, as trustee of the AES Plan, holds 849,883 AUSDOC Shares pursuant to the terms of the AES Plan. All shares in AESP are held by AUSDOC. The Directors are also the directors of AESP. AESP intends to accept the Offer in respect of all AUSDOC Shares held by it, in the absence of a higher offer. AUSDOC Shares held by AESP comprise approximately 1% of all AUSDOC Shares.

If the Offer succeeds, acceptance of the Offer by AESP will result in repayment to AUSDOC of approximately \$854,000 in outstanding loans under the AES Plan.

3.7 Babcock & Brown is no longer a substantial shareholder

On 21 June 2002, Taviton Group, an associate of Babcock & Brown, notified AUSDOC that it had ceased to be a substantial shareholder in AUSDOC.

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4 Additional statutory information

4.1 Relevant interests in marketable securities of AUSDOC

At the date of this Target's Statement, the Directors (and their respective associates) have relevant interests in AUSDOC Shares and Options as set out below.

Name of Director	Number of AUSDOC Shares	Number of Options	Held by
Michael R Butler	366,780	-	Candad Pty Ltd
Alan C Freer	- 40,000 2,000 2,000	750,000 - - -	Self Susan Freer Chelsea Freer Brett Freer
Geoffrey D Allen	20,000	-	Self
Ian Donald	41,206	-	Self
J Michael Feeney	141,422	-	J M Feeney Superannuation Fund
Peter T Reilly	353,524 5,842,560 5,174,860 285,514	- - - -	Self Nabawa Pty Ltd Parmelia Pty Ltd Parmelia Pty Ltd (as trustee for the Reilly Family Superannuation Fund)

FEL RPS are quoted on the New Zealand Stock Exchange. AUSDOC, via a wholly owned subsidiary, owns 100% of the ordinary shares of FEL. No Director holds any FEL RPS.

4.2 Recent dealings in AUSDOC Shares

There have been no acquisitions or disposals of AUSDOC Shares by any Director or any of their respective associates from 21 March 2002 to the date of this Target's Statement, except as set out below.

Date	Director	Number of AUSDOC Shares	Average price per AUSDOC Share	Acquisition or disposal
21 March 2002	Peter T Reilly	136,882	\$2.143	Disposal
22 March 2002	Peter T Reilly	13,118	\$2.15	Disposal

4.3 Options other than those held by Alan C Freer

AUSDOC has two executive share option plans: one for executives in New Zealand ("NZ Plan") and the other for executives in Australia ("Australian Plan"). Under the NZ Plan and Australian Plan (together the "Plans"), executives may be issued Options. The Options are generally exercisable three years after issue but before five years after issue.



At the date of this Target's Statement, there are 66 former and current AUSDOC executives (other than Alan C Freer) who hold a total of 945,199 Options. The dates of issue, exercise prices and number of Options are as set out below:

Issued	Exercise price	No. on issue
August 1999	\$2.54	231,855
February 2000	\$2.57	58,530
September 2000	\$2.00	118,087
March 2001	\$1.29	284,842
August 2001	\$1.52	251,885

If the Bidder were to acquire control of AUSDOC, your Directors would be required under the Plans to notify Option Holders of that fact. Option Holders would then be free to exercise their Options, subject to the rules of the Plans, outside their existing exercise period.

Further details in relation to the terms of the Options are contained in AUSDOC's annual reports.

Pursuant to the Deed of Undertaking AUSDOC is required to use its best endeavours to obtain the agreement of all Option Holders to transfer their Options to ABN AMRO Capital or to cancel their Options for a value determined by ABN AMRO Capital. The transfer or cancellation is conditional upon the Bidder, or any other party, proceeding to compulsorily acquire any outstanding AUSDOC Shares. As at the date of this Target's Statement, offers to all Option Holders have been distributed. AUSDOC has been notified by ABN AMRO Capital that the total amount payable pursuant to the offers to the Option Holders (including those held by Alan C Freer as described in section 4.4) is approximately \$1 million. On 8 July 2002, the Directors (excluding the Managing Director, Mr Alan Freer) sent a letter to each Option Holder stating that they consider that the offer represents fair value for the Options and that they recommend that Option Holders accept the offer. Mr Freer excused himself from AUSDOC Board discussions on this matter because he is an Option Holder.

4.4 Options held by Alan C Freer

In accordance with the contract entered into between Alan C Freer and AUSDOC, Mr Freer holds 750,000 Options with the following exercise prices and expiry dates.

Issued	Exercise price	No. on issue
November 2000	\$1.89	250,000
November 2000	\$2.27	250,000
November 2000	\$3.02	250,000

An offer has been made to Alan C Freer regarding the cancellation or transfer of his Options for a value determined by ABN AMRO Capital, conditional on the Bidder, or any other party, proceeding to compulsorily acquire AUSDOC Shares.

4.5 Relevant interests in marketable securities of the Bidder or ABN AMRO held by the Directors

None of the Directors, nor any of their respective associates, has any relevant interest in any marketable securities of the Bidder or ABN AMRO as at the date of this Target's Statement.

4.6 Dealings in marketable securities of the Bidder or ABN AMRO by the Directors

There have been no acquisitions or disposals of marketable securities in the Bidder or ABN AMRO by AUSDOC or any Director, or their respective associates, in the four months immediately preceding the date of this Target's Statement.

Target's Statement

4.7 Benefits and payments

Except as set out below or elsewhere in this Target's Statement, no benefit (other than a benefit permitted by section 200F or 200G of the Corporations Act) has been or will be given:

- to a person in connection with the retirement of a person from a board or managerial office of AUSDOC or a related body corporate of AUSDOC; or
- to a person who holds, or has held a board or managerial office in AUSDOC or a related body corporate, or a spouse, relative or associate of such a person, in connection with the transfer of the whole or any part of the undertaking or property of AUSDOC.

The non-executive Directors may be paid a retirement benefit in connection with their retirement from office, should the Offer succeed.

In the Bidder's Statement, the Bidder has stated its intention to reduce the number of full-time AUSDOC head office employees. Consequently, if the Offer succeeds and Alan C Freer is made redundant, then AUSDOC is obliged to make a payment to him in connection with his termination from office of the amount set out in his employment contract. AUSDOC is also obliged to make a payment to Alan C Freer of the amount set out in his employment contract if his employment terminates following a material diminution of his duties or authority as chief executive officer of AUSDOC. The payments referred to in this section 4.7 will comply with sections 200F and 200G of the Corporations Act. The total amounts that may be payable to Alan C Freer under his employment contract (excluding Options) and the non-executive Directors in connection with their retirement or termination from office will not exceed \$1.3 million.

4.8 Agreements with any Director

Except as disclosed in this Target's Statement, there is no agreement made between any Director and any other person in connection with or conditional on the outcome of the Offer.

4.9 Interests of Directors in any contract with the Bidder

Except as disclosed in this Target's Statement, no Director has an interest in any contract entered into by the Bidder or its related bodies corporate, as at the date of this Target's Statement.

4.10 Other information reasonably required by AUSDOC Shareholders and their professional advisers to make an informed assessment

Your Directors consider that the information that AUSDOC Shareholders and their professional advisers would reasonably require to make an informed assessment of whether to accept the Offer is contained in the following documents:

- the Bidder's Statement;
- AUSDOC's interim report for the nine months ended 31 March 2002 (lodged with ASX on 6 May 2002);
- AUSDOC's releases to ASX prior to the date of this Target's Statement; and
- this Target's Statement.

4.11 Consents

Deacons has given and not withdrawn its consent before the date of this Target's Statement to being named in this Target's Statement as legal adviser to AUSDOC. Deacons does not make or purport to make any statement that is included in this Target's Statement and there is no statement in this Target's Statement which is based on any statement of Deacons. Deacons specifically disclaims responsibility for any statement included in this Target's Statement.

UBS Warburg has given and not withdrawn its consent before the date of this Target's Statement to being named in this Target's Statement as financial adviser to AUSDOC. UBS Warburg does not make or purport to make any statement that is included in this Target's Statement and there is no statement in this Target's Statement which is based on any statement of UBS Warburg. UBS Warburg specifically disclaims responsibility for any statement included in this Target's Statement.



This Target's Statement contains statements made by, or statements based on statements made by, Michael R Butler, Alan C Freer, Geoffrey D Allen, Ian Donald, J Michael Feeney and Peter T Reilly. Each of those persons:

- has consented to the inclusion of:
 - each statement they have made, and
 - each statement which is based on a statement they have made,
 in the form and context in which the statement appears; and
- has not withdrawn that consent prior to the date that this Target's Statement was lodged with ASIC.

Section 1.4(c) contains a statement based on statements made by Babcock & Brown in the explanatory memorandum to the AUSDOC notice of general meeting dated 14 December 2001 and lodged with ASX on 24 December 2001. AUSDOC Shareholders may obtain a copy of that document free of charge during the Offer Period by phoning the AUSDOC Shareholder Information Line.

4.12 Early and joint dispatch of takeover documents

The Directors have agreed that the Bidder may send the Bidder's Statement to AUSDOC Shareholders earlier than would otherwise be permitted under the Corporations Act. The Directors have also agreed to dispatch this Target's Statement together with the Bidder's Statement.

4.13 Disclaimer

This booklet contains the Bidder's Statement prepared by the Bidder and its advisers. AUSDOC and its related bodies corporate and the officers, employees, servants, agents, representatives and advisers of each of them:

- are not responsible for the preparation or content of the Bidder's Statement, any part of the Bidder's Statement or any information, statement, forecast, prediction or representation contained within the Bidder's Statement;
- do not verify, attest to or make any representation or warranty in relation to the relevance, accuracy or completeness of the Bidder's Statement, any part of the Bidder's Statement or any information, statement, forecast, prediction or representation contained within the Bidder's Statement; and
- to the extent permitted by law, disclaim and will not be liable for any loss, damage, cost or expense caused or suffered by any person (including, without limitation, an AUSDOC Shareholder), or any Claim arising out of or in connection with the Bidder's Statement, any part of the Bidder's Statement or any information, statement, forecast, prediction or representation contained within the Bidder's Statement, including, without limitation any loss, damage, cost or expense caused or suffered, or Claim arising as a result of the negligence of AUSDOC or its related bodies corporate, or the officers, employees, servants, agents, representatives and advisers of each of them.

5 Authorisation of Target's Statement

This Target's Statement was approved by a resolution of the Directors on 22 July 2002.

DATED: 22 July 2002

SIGNED for and on behalf of AUSDOC by Michael Butler, being a Director who is authorised to sign pursuant to a resolution of Directors.

Michael Butler
Chairman
AUSDOC Group Limited

Glossary & Interpretation

Glossary

In this booklet, including the Bidder's Statement in part 3 and the Target's Statement in part 4, the following defined terms are used, unless the contrary intention appears or the context requires otherwise.

€	is a reference to the lawful currency of the European Union.
ABN AMRO	means ABN AMRO Holding N.V.
ABN AMRO Australia	means ABN AMRO Australia Limited (ACN 000 862 797).
ABN AMRO Bank	means ABN AMRO Bank N.V. (ARBN 079 478 612).
ABN AMRO Capital	means ABN AMRO Capital (Belgium) N.V.
Acceptance Form	means the form of acceptance and transfer accompanying the Offer.
ADX Business	means the Australian business of providing member-to-member mail delivery network services carried on by the AUSDOC Group in Australia up to and including 30 June 2002.
AES Plan	means the employee share plan known as the "AUSDOC Employee Share Plan".
AESP	means AUSDOC Employee Share Plan Pty Ltd (ACN 056 580 119).
AIM	means AUSDOC Information Management Pty Ltd (ACN 004 270 991).
AIM Business	means the records management and storage business operated by the AUSDOC Group in Australia, Canada and Indonesia.
Announcement Date	means 18 June 2002, being the date on which the Bidder proposed a takeover offer for the AUSDOC Shares.
ANZ	means Australia and New Zealand Banking Group Limited.
ANZ Facility	means the facility referred to in section 3.5(a) of the Bidder's Statement.
Approval	means any licence, authority, authorisation, consent, permission, approval, clearance, grant, confirmation, order, exemption, modification, waiver or ruling.
ASIC	means the Australian Securities and Investments Commission.
ASX	means Australian Stock Exchange Limited.
ASX Listing Rules	means the listing rules of ASX.
AUSDOC	means AUSDOC Group Limited (ABN 61 005 482 913).
AUSDOC Board	means the board of directors of AUSDOC.
AUSDOC Group	means AUSDOC and its subsidiaries.
AUSDOC Share	means a fully paid ordinary share in the capital of AUSDOC.
AUSDOC Shareholder	means a person who is the holder of an AUSDOC Share.
A\$, \$ or ¢	is a reference to the lawful currency of Australia.
Babcock & Brown	means Babcock & Brown Pty Ltd (ABN 58 002 332 345).
Bidder	means ABN AMRO Capital Australia Pty Ltd (ACN 101 229 976).
Bidder's Statement	means the document contained in part 3 of this booklet, being the statement of the Bidder under Part 6.5 Division 2 of the Corporations Act relating to the Offer.
Bidder's Takeover Transferee Holding	means the holding of AUSDOC Shares on the CHESS subregister of the Bidder or an agent of the Bidder established for the purposes of the Offer.
Broker	means a person who is a share broker and a participant in CHESS.
business day	means a day on which banks are open for general banking business in Melbourne (not being a Saturday, Sunday or public holiday in that place).
Cash EPS	means EPS calculated excluding the charge for goodwill amortisation.

CHESS	means the Clearing House Electronic Subregister System, which provides for electronic share transfers in Australia.
CHESS Holding	means a holding of AUSDOC Shares on the CHESS subregister of AUSDOC.
Claims	means any allegation, debt, cause of action, liability, claim, proceeding, suit or demand of any nature howsoever arising and whether present or future, fixed or unascertained, actual or contingent whether at law, in equity, under statute or otherwise.
Controlling Participant	means the Broker or Non-Broker Participant who is designated as the controlling participant for shares in a CHESS Holding in accordance with the SCH Business Rules.
Corporations Act	means the Corporations Act 2001 (Cwth).
C\$	is a reference to the lawful currency of Canada.
Deed of Undertaking	means the deed of undertaking between AUSDOC and ABN AMRO Capital dated 22 May 2002.
Director	means a member of the AUSDOC Board.
DX Couriers Business	means the business of providing a range of express freight, permanent recurring, ad-hoc and point-to-point courier services carried on by the AUSDOC Group in Australia, other than those operated in connection with the AIM Business.
DX Group Business	means: <ul style="list-style-type: none"> (a) the DX Couriers Business; (b) the ADX Business; and (c) the GoMailroom Business. but, for the avoidance of doubt, does not include the GoMail Aggregation Business.
EBITA	means earnings before interest, tax and amortisation.
EPS	means earnings per AUSDOC Share.
Equity Subscription Agreement	means the agreement between ABN AMRO Capital and the Bidder dated 17 July 2002 pursuant to which the Bidder may require ABN AMRO Capital to subscribe for shares in the Bidder.
Federal Government	means the government of the Commonwealth of Australia.
FEL	means Freightways Express Limited (New Zealand registration number AK 866222).
FEL Business	means the express freight, couriers, document archive and management, business mail, mail outsourcing, air-freight and maintenance business operated by FEL in New Zealand, and any other business operated by FEL and its subsidiaries.
FEL RPS	means the redeemable preference shares issued by FEL and quoted on the New Zealand Stock Exchange.
FIRB	means the Foreign Investment Review Board.
Foreign Acquisitions and Takeovers Act	means the Foreign Acquisitions and Takeovers Act 1975 (Cwth).
GoMail Aggregation Business	means the aggregation and mail business carried on by the AUSDOC Group in Australia the closure of which was announced on 3 June 2002 and, for the avoidance of doubt, does not include the ADX Business or the GoMailroom Business.
GoMailroom Business	means the mail room outsourcing and management services business and the off-site mailroom services business carried on by the AUSDOC Group in Australia up to and including 30 June 2002.
Issuer Sponsored Holding	means a holding of AUSDOC Shares on AUSDOC's issuer sponsored subregister.
Macquarie Goodman	means Trust Company of Australia Limited as agent for Macquarie Goodman Funds Management Limited and as custodian of Macquarie Goodman Capital Trust.

Glossary & Interpretation

Moorebank Facility	means the warehouse complex to be constructed and occupied by the AIM Business at Moorebank, New South Wales.
Non-Broker Participant	means a non-broker participant under the SCH Business Rules.
NPAT	means net profit after tax attributable to AUSDOC Shareholders.
NZ\$	is a reference to the lawful currency of New Zealand.
Offer	means the offer by the Bidder to acquire your AUSDOC Shares on the terms and conditions specified in section 4 of the Bidder's Statement.
Offer Conditions	means the conditions specified in section 4.11 of the Bidder's Statement.
Offer Period	means the period during which the Offer is to remain open in accordance with section 4 of the Bidder's Statement.
Option	means an unquoted option to subscribe for an AUSDOC Share.
Option Holder	means a person who is the holder of an Option.
Public Authority	means any government or any governmental, semi-governmental, statutory or judicial entity or authority, whether in Australia or elsewhere.
Record Date	means 22 July 2002.
Rights	means all accretions, rights or benefits of whatever kind attaching to or arising from AUSDOC Shares directly or indirectly after the Announcement Date, including, without limitation, all dividends or other distributions and all rights to receive any dividends or other distributions, or to receive or subscribe for shares, stock units, notes, bonds, options or other securities, declared, paid or made by AUSDOC or any of its subsidiaries.
SCH	means the Securities Clearing House, the body which administers CHESS in Australia.
SCH Business Rules	means the business rules of SCH.
Sunshine Property	means the property, buildings and premises located at 578-580 Sommerville Road, Sunshine, Victoria.
Sunshine Property Transaction	means the sale of the Sunshine Property by AIM to Macquarie Goodman and the subsequent construction of a new warehouse facility by Macquarie Goodman and the entry into a lease agreement between AIM and Macquarie Goodman for the occupation and use of the Sunshine Property by AIM.
Sydney Premises Consolidation	means the consolidation of the premises leasing arrangements for the AIM Business at Alexandria and Moorebank, New South Wales on terms materially consistent with the terms of the memorandum of understanding dated 5 March 2002 between AIM and Macquarie Goodman Management Limited including, but not limited to, a construction contract and agreement to lease in respect of the Moorebank Facility, and any other contracts that may be required.
Takeovers Panel	means the Takeovers Panel established under the Australian Securities and Investments Commission Act 2001 (Cwth).
Target's Statement	means the document contained in part 4 of this booklet, being the statement of AUSDOC under Part 6.5 Division 3 of the Corporations Act relating to the Offer.
Treasurer	means the Treasurer of the Commonwealth of Australia.
UBS Warburg	means UBS Warburg Australia Corporate Finance Limited (ABN 18 053 909 407).

Interpretation

In this booklet, including the Bidder's Statement in part 3 and the Target's Statement in part 4, the following rules of interpretation apply unless the contrary intention appears or the context requires otherwise:

- (a) headings are for convenience only and do not affect interpretation;
- (b) the words "include", "including", "for example" or "such as" are not used as, nor are they to be interpreted as, words of limitation, and, when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind;
- (c) a reference to time is a reference to Melbourne time;
- (d) the singular includes the plural and conversely;
- (e) a reference to a section, paragraph and sub-paragraph in the Bidder's Statement is a reference to a section, paragraph and sub-paragraph of the Bidder's Statement;
- (f) a reference to a section, paragraph and sub-paragraph in the Target's Statement is a reference to a section, paragraph and sub-paragraph of the Target's Statement;
- (g) a gender includes all genders;
- (h) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (i) a reference to a person includes a body corporate, an unincorporated body or other entity and conversely;
- (j) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including, but not limited to, persons taking by novation) and assigns;
- (k) a reference to any legislation or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision substituted for it and all regulations and statutory instruments issued under it;
- (l) a reference to any instrument or document includes any variation or replacement of it;
- (m) a term not specifically defined in this booklet has the meaning given to it in the Corporations Act or, if not defined in the Corporations Act, the meaning given to it in the SCH Business Rules, as the case may be;
- (n) a reference to a right or obligation of any two or more persons confers that right, or imposes that obligation, as the case may be, jointly and severally;
- (o) a reference to "you" is a reference to a person to whom the Offer is made under section 4.1 of the Bidder's Statement;
- (p) a reference to conduct includes, without limitation, an omission, statement and undertaking, whether or not in writing;
- (q) a reference to an agreement includes any undertaking, deed, agreement and legally enforceable arrangement whether or not in writing and a reference to a document includes an agreement (as so defined) in writing, and any certificate, notice, instrument or document of any kind;
- (r) a reference to a document includes a reference to all electronic, magnetic, photographic and other mediums by which information may be stored or reproduced; and
- (s) an accounting term is a reference to that term as it is used in accounting standards under the Corporations Act, or, if not inconsistent with those standards, in accounting principles and practices generally accepted in Australia.



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