



31 March 2010

**ELPH BIDDER'S STATEMENT DISPATCHED, ELPH WAIVES ANOTHER DEFEATING CONDITION, COOTE RESPONSE INADEQUATE**

Elph Pty Ltd ('Elph') has today completed dispatch of its Bidder's Statement to shareholders of Coote Industrial Limited ('Coote') in relation to its proportional offer for ordinary shares in Coote. A copy of the Bidder's Statement sent to Coote's shareholders is **attached**. The offer is open for acceptance from today until 7.00pm (AEST) on 3 May 2010 unless extended.

In relation to the proposed sale by Coote of the South Spur Rail Services business, Coote has called on Elph to waive the relevant condition of its offer to allow the offer to continue. In order to provide immediate certainty to Coote shareholders and relying on Coote's announcement that the proposed sale is indeed a positive outcome for Coote shareholders, Elph has now agreed to waive the condition in its offer in relation to the proposed sale. Coote has committed to provide greater information in relation to the proposed sale of the South Spur Rail Services business in its Target's Statement which will hopefully support Coote's assurance in this regard.

Elph considers that Coote's shareholders should be disappointed with the Coote Board's 29 March 2010 letter in response to Elph's offer which in Elph's opinion reinforces the risks for Coote shareholders in not accepting the offer. Whilst Elph is not going to respond to all of Coote's observations, Coote's comments demonstrate why substantial changes to the Coote Board are necessary. This is in contrast to the minimal changes suggested in Coote's letter, which Elph considers are aimed at broadly maintaining the status quo. The letter glosses over the fundamental problems facing Coote and its failure to properly execute its plans which has resulted in the company's prolonged underperformance.

Elph believes the Coote Board has failed to accept responsibility for the company's precarious financial position and its underperformance by blaming this on the Global Financial Crisis. This should concern shareholders about the Board's ability to restore shareholder value going forward without substantial change.

Elph's Bidder's Statement provides six key reasons why Coote shareholders should accept the Elph offer. Elph intends to work towards achieving a much improved corporate governance regime above and beyond the minimalistic changes alluded to in Coote's letter. Elph believes that by increasing its ownership interest in Coote, it will be able to exert more influence on Coote's future direction. These steps are aimed at improving the operational and financial performance of Coote.

If shareholders have any queries regarding how to accept the offer, they should call 1300 733 145 for callers within Australia and +612 8256 3362 for callers outside Australia. For further enquiries, please contact either:

**Elph:**

Dale Elphinstone  
Executive Chairman  
Tel: +613 6430 0000

Vince De Santis  
Managing Director  
Tel: +613 6430 0000

**RBS Morgans Corporate Limited:**

Mark Gross  
Executive Director, Corporate Finance  
Tel: +612 8215 5059

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Director, Corporate Finance  
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# BIDDER'S STATEMENT

OFFER BY



**ELPH PTY LTD**

ABN 52 070 012 252

TO ACQUIRE 35%  
(OR ANY LESSER NUMBER) OF YOUR SHARES IN

**COOTE INDUSTRIAL LIMITED**

AT 26 CENTS PER SHARE IN CASH

THE OFFER IS SCHEDULED  
TO CLOSE ON 3 MAY 2010  
UNLESS EXTENDED

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR  
IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS  
TO HOW TO ACT, YOU SHOULD CONSULT YOUR FINANCIAL  
OR LEGAL ADVISER AS SOON AS POSSIBLE.

ELPH LEGAL ADVISER

**BAKER & MCKENZIE**

ELPH FINANCIAL ADVISER

**RBS Morgans**

## IMPORTANT DATES

Offer Announcement	3 March 2010
Bidder's Statement Lodged with ASIC	17 March 2010
Date of the Offer	31 March 2010
Scheduled closing date of the Offer (unless extended)	7.00 pm (AEST) 3 May 2010

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## IMPORTANT INFORMATION

The Bidder's Statement is dated 17 March 2010. A copy of the Bidder's Statement was lodged with ASIC on 17 March 2010, but ASIC or any of its officers take no responsibility for the contents of the Bidder's Statement. It includes an Offer dated 31 March 2010 on the terms and conditions set out in Annexure 1.

### Defined terms

Terms used in this Bidder's Statement are defined in the Glossary.

### Disclosure about forward looking statements

This Bidder's Statement contains certain forward looking statements which have not been based solely on historical facts, but are rather based on Elph's current expectations about future events. These forward looking statements are, however, subject to risks, uncertainties and assumptions which could cause actual events or results to differ materially from the expectations described in such forward looking statements.

### Investment Decision

You should read all of this Bidder's Statement before deciding whether to accept the Offer. This Bidder's Statement does not take into account the individual investment objectives, financial situation or particular needs of each Shareholder or any other person. You may wish to seek independent financial and taxation advice before making a decision as to whether or not to accept the Offer.

### Privacy Collection Statement

Personal information relating to your shareholding in Coote will be collected by Elph from Coote in accordance with its rights under the Corporations Act. Elph will share this information with its advisers and service providers where necessary for the purposes of the Offer. Elph and its agents retained for the purposes of the Offer will use the

information solely for purposes relating to the Offer. Generally you have a right to access the personal information which Elph and its agents may hold about you. You can contact Elph if you have any queries about the privacy practices of Elph.

### Information on Coote

All of the information concerning Coote contained in this Bidder's Statement has been obtained from publicly available sources including public documents filed by Coote or information published by Coote on its website. Neither Elph nor their advisers assume any responsibility for the accuracy or completeness of this information. None of the information in this Bidder's Statement relating to Coote has been verified by Elph's board or independently verified by Elph or their respective directors for the purposes of this Bidder's Statement. Accordingly, subject to the Corporations Act, Elph does not make any representation or warranty, express or implied, as to the accuracy or completeness of this information. The information on Coote in this Bidder's Statement should not be considered comprehensive. In addition, the Corporations Act requires the directors of Coote to provide a Target's Statement to Shareholders in response to this Bidder's Statement, setting out certain material information concerning Coote.

### Time

All references to time in this Bidder's Statement are to Australian Eastern Standard Time.

### Further Information

If you have any questions about this Offer, you should call the Offer Information Line on 1300 733 145 for callers within Australia and +612 8256 3362 for callers outside Australia.



17 March 2010

Dear Fellow Coote Shareholder

## Letter from the Executive Chairman of Elph

We are pleased to enclose our Offer for 35% of your Shares in Coote Industrial Limited (Coote). The Offer price is 26 cents per share in cash which represents an attractive premium of 33.3% over the closing price of Coote Shares prior to announcing the Offer.

As you may be aware Elph Pty Ltd (Elph) is currently the largest shareholder in Coote with a 24.95% shareholding. Elph has been concerned for some time about the financial and operational performance of Coote and is making this Offer for two key reasons:

1. To provide an attractive Offer for 35% of your Shares; and
2. Elph believes that by increasing its ownership interest in Coote, it will be able to exert more influence on Coote's future direction. This should assist Elph in bringing about changes at Coote aimed at delivering improved performance and shareholder returns.

This proportional Offer structure allows you to benefit from the improved performance that Elph is seeking to achieve for the remaining 65% of your Shares.

The key reasons why we believe you should accept the Offer are as follows:

- **Coote has been driven into a precarious financial position**
- **The Coote Share price has substantially underperformed**
- **Elph's proposed nominated directors can add value to the Coote Board**
- **Elph's Offer represents a substantial cash premium for up to 35% of your Shares**
- **By accepting the Offer, you will still benefit from the potential longer term turnaround of Coote**
- **There are risks in not accepting the Offer**

We believe that Coote Shareholders, through accepting the Elph Offer, have an opportunity to assist in making the changes necessary to prevent the continuation of the same poor performance from Coote which has seen shareholder value eroded. The Offer is an attractive proposal from a shareholder group with a solid track record in delivering value. This is demonstrated by the success of the Elphinstone Group, further details of which are provided in Section 1 of this Bidder's Statement.

We would anticipate that Shareholders who have experienced the continued underperformance of Coote and its Share price will recognise that Coote's comment in its ASX release on 8 March 2010 that the Elph Offer exploits 'a moment of short-term weakness in the Coote share price' is, with due respect, inaccurate and misleading.

Despite the recent capital raising which was supported by Elph, Coote remains in breach of its banking covenants and has so far not been able to deliver on its promises to divest South Spur Logistics and receive the second tranche of funding for Greentrains. These steps are essential in bringing Coote back to a more appropriate debt position. Coote's bank will not allow it to pay dividends until its financial position is more certain.

Elph intends to work towards achieving a much improved corporate governance regime for Coote including changing the Coote Board structure to ensure it has at least two independent directors. Elph will also be seeking to have at least two representatives on the board to assist with delivering shareholder value. Elph believes that by increasing its ownership interest in Coote, it will be able to exert more influence on Coote's future direction. These steps are aimed at improving the operational and financial performance of Coote.

We strongly encourage you to **ACCEPT** the Offer. If you have any questions regarding how to accept the Offer, please contact the Offer Information Line on 1300 733 145 for callers within Australia and +612 8256 3362 for callers outside Australia.

Yours sincerely



**Dale Elphinstone**  
Executive Chairman  
Elph Pty Ltd

# HOW TO ACCEPT THE OFFER

You should read this Bidder's Statement carefully before making a decision on whether or not to accept the Offer.

## THERE ARE SEVERAL WAYS TO ACCEPT THE OFFER:

<b>For CHESSE Holdings of Shares</b>	<p>If your Holder Identification Number begins with an "X", your Shares are in a CHESSE Holding.</p> <p>To accept the Offer you must either:</p> <ul style="list-style-type: none"><li>■ complete, sign and return your Acceptance Form included with this Bidder's Statement in accordance with the instructions on the form. This will authorise Elph to instruct your Controlling Participant (normally your broker) to accept the Offer on your behalf; or</li><li>■ instruct your Controlling Participant to accept the Offer on your behalf,</li></ul> <p>so it is received before the Offer closes.</p>
<b>For Issuer Sponsored Holdings of Shares</b>	<p>If your Securityholder Reference Number begins with an <b>Holdings of Shares "I"</b>, your Shares are in an Issuer Sponsored Holding.</p> <p>To accept the Offer you must complete and sign the Acceptance Form enclosed with this Bidder's Statement in accordance with the instructions on the form, and return it to the address indicated on the form so it is received before the Offer closes.</p>

To validly accept the Offer for your Shares, **your acceptance must be received before 7:00pm (AEST) on 3 May 2010** unless the Offer Period is extended.

For further details regarding accepting the Offer, see Clause 4 of Annexure 1 of this Bidder's Statement.

Please use your enclosed personalised Acceptance Form.

**IF YOU HAVE ANY QUERIES REGARDING HOW TO ACCEPT THE OFFER, PLEASE CALL THE OFFER INFORMATION LINE ON 1300 733 145 FOR CALLERS WITHIN AUSTRALIA AND +612 8256 3362 FOR CALLERS OUTSIDE AUSTRALIA.**

# WHY YOU SHOULD ACCEPT THE OFFER

1

**Coote has been driven into a precarious financial position**

2

**The Coote Share price has substantially underperformed**

3

**Elph's proposed nominated directors can add value to the Coote Board**

4

**Elph's Offer represents a substantial cash premium for up to 35% of your Shares**

5

**By accepting the Elph Offer, you will still benefit from the potential longer term turn around of Coote**

6

**There are risks in not accepting the Offer**

# DETAILED REASONS WHY YOU SHOULD ACCEPT

## 1

### Coote has been driven into a precarious financial position

#### Financial deterioration

- As at 31 December 2009, Coote had net debt of approximately \$113m and net assets of approximately \$182m, providing a gearing level of 62%.
- Despite recently raising equity of approximately \$31.2m, Coote is in breach of two of its banking covenants.<sup>1</sup>
- This disclosure appears to be inconsistent with statements made by Coote at the time of its recent \$30m placement (18 November 2009) and repeated at Coote's 2009 Annual General Meeting (27 November 2009). Both of these presentations contained the following statements:

*'CXG is outside [its] leverage covenant as at 30 June 2009.*

*Covenant will be restored upon completion of the capital raising...'*

*'Interest cover ratio comfortably exceeds the minimum covenant of 3X.'*

- Until Coote's Leverage Ratio is within its banking covenants, Coote is unable to pay any future dividends.<sup>2</sup> Coote has not paid a dividend since October 2008.
- Coote's current liabilities (i.e. liabilities which need to be paid within 12 months) continue to exceed its current assets. Importantly, Coote's current banking facilities with the Commonwealth Bank fall due in February 2011 which is approximately 11 months away (as per Coote's ASX announcement on 5 March 2010).

	30 June 2009	31 December 2009
<b>Current Assets</b>	\$205.7 million	\$97.6 million
<b>Current Liabilities</b>	\$220.9 million	\$137.8 million
<b>Deficit</b>	<b>– \$15.2 million</b>	<b>– \$40.2 million</b>

Source: Coote's Interim Financial Report released on 1 March 2010 (rounded to one decimal point).

<sup>1</sup> Coote disclosed that it was in breach of its Leverage Ratio Covenant (calculated as Net Debt / EBITDA). Coote's current leverage is 4.5 times (as at 31 December 2009) versus a maximum covenant of 3.5 times. Refer to page 20 of the Coote Interim Financial Report released on 1 March 2010. Coote disclosed that it was in breach of its Interest Cover Ratio Covenant (calculated as EBITDA / Net Interest Expense). Coote's current interest coverage is 2.8 times (as at 31 December 2009) versus a minimum covenant of 3.0 times. Refer to page 20 of the Coote Interim Financial Report released on 1 March 2010.

<sup>2</sup> Coote disclosed that a dividend lock applies preventing Coote from paying dividends until its Leverage Ratio is below 2.5 times. Refer to page 20 of the Coote Interim Financial Report released on 1 March 2010.

- Importantly, we refer Shareholders to the last page of the Auditor’s Review for the Coote half year results to 31 December 2009 which highlights the “Inherent Uncertainty Regarding Long Term Debt Facilities and Goodwill.”<sup>3</sup>
- Coote’s balance sheet as at 31 December 2009 carries approximately \$102.5m of intangible assets, including approximately \$85m of goodwill. To the extent there are any write downs or impairments made to Coote’s goodwill, Coote’s gearing will increase.
- Elph also notes that Coote, by virtue of its banking arrangements, is unable to pay an outstanding interest bill of approximately \$147,000 to Elph. In respect of this liability, Elph has fixed and floating charges over some of Coote’s assets. More information on this is contained in Section 2.10.

#### **Continued uncertainty surrounding the achievement of important milestones**

- Coote has indicated that it intends to reduce its gearing through the sale of South Spur Logistics and by settling the second tranche of rolling-stock from Greentrains (a 61% owned subsidiary of Coote).
- Coote has been attempting to sell South Spur Logistics for at least nine months with as yet, no result. In November 2009, Coote stated that two parties were at that time undertaking detailed due diligence and that proceeds from the sale were expected in late 2009 to early 2010.
- Greentrains has been seeking to raise sufficient finance since approximately mid 2008 to settle the purchase of rolling-stock from Gemco Rail, a wholly owned subsidiary of Coote. In November 2009, Coote stated that they expected settlement of tranche two of rolling-stock from Greentrains, representing approximately \$35m<sup>4</sup>, to occur in early 2010.
- Elph believes that in the absence of Elph’s \$6.5m investment in Greentrains (which was from a practical standpoint underwritten by Coote given the put option granted by Coote to Elph), Greentrains would not have been in a position to settle the purchase of \$44m<sup>5</sup> of rolling-stock (Tranche 1). Refer to Section 2.11 for further information.

#### **Disclosure concerns**

- In April 2009, Elph agreed to subscribe for a \$6.5m equity placement in Greentrains for a 19.8% shareholding. At the time Elph was also granted a put option to sell its investment in Greentrains back to Coote for \$6.5m. This option expires on 17 July 2010. Elph assigned the Greentrains shareholding and put option to its parent, Elphinstone Holdings Pty Ltd. Elphinstone Holdings Pty Ltd has advised Elph that it currently intends to exercise this option at some time (yet to be determined) before its expiry. Once exercised, payment of \$6.5m from Coote to Elphinstone Holdings Pty Ltd is required within 20 business days. Refer to Section 1.3 for further information.
- The put option was agreed to in April 2009. As far as Elph is aware, disclosure of the put option was not made to the ASX by Coote until 9 November 2009. Furthermore, as far as Elph is aware, it was not recorded in Coote’s 2009 Annual Report for the year ended 30 June 2009 nor in Coote’s Interim Financial Report for the half year ended 31 December 2009. Given the material nature of this put option, Elph considers this represents a shortcoming in terms of Coote’s disclosure to its Shareholders.

### **Coote’s track record is poor and the business has substantial risk**

<sup>3</sup> Refer to the last page of the Coote Interim Financial Report released on 1 March 2010.

<sup>4</sup> Refer to page 3 of the Coote Interim Financial Report released on 1 March 2010.

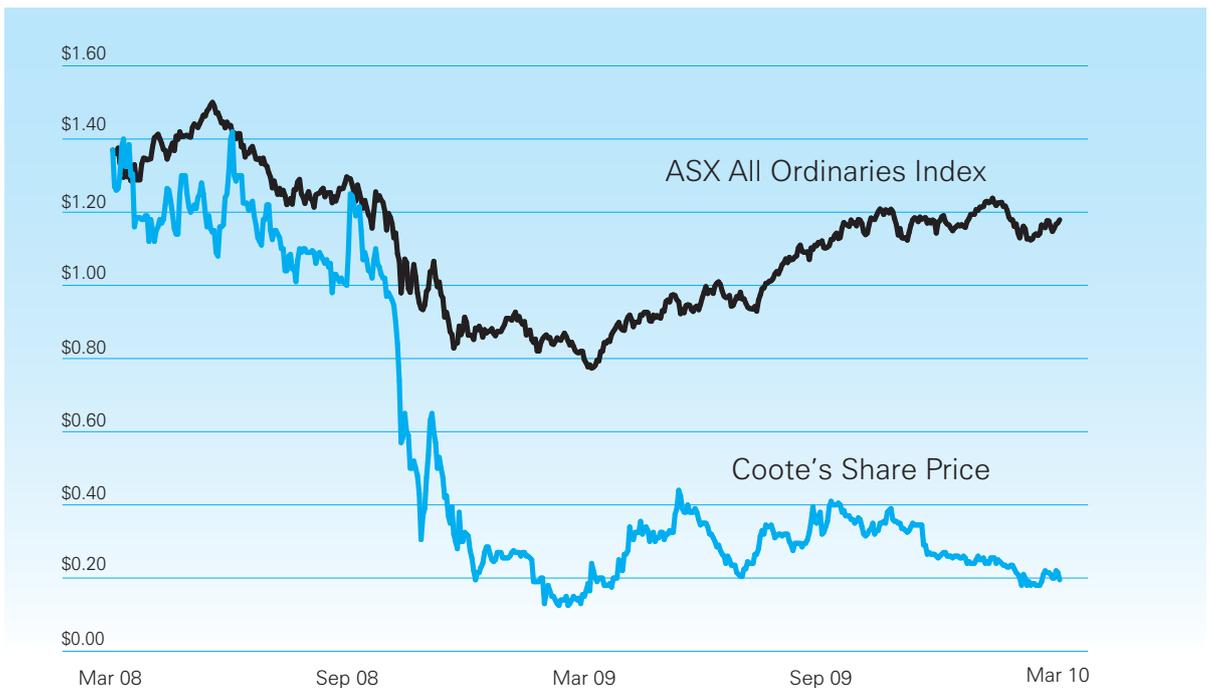
<sup>5</sup> Refer to Coote’s ‘Market Update – Settlement of Greentrains and Conv. Note’ ASX announcement released by Coote on 17 July 2009.

# 2

## The Coote Share price has substantially underperformed

- In the two years preceding Elph's Offer, the Coote Share price has significantly underperformed the ASX All Ordinaries Index.
- Two years before the Offer, the Coote share price was \$1.37. Immediately prior to Elph's Offer, the Coote share price was \$0.195.
- Coote undertook a Placement in December 2009 to raise approximately \$30m at an issue price of \$0.26 per Share. In December 2009, Coote also undertook a Share Purchase Plan to a target maximum of \$10m but which raised only approximately \$1.2m at an issue price of \$0.26 per Share.
- Since the capital raisings referred to above were completed and before the announcement of the Offer, the majority of Shares have traded below the \$0.26 issue price. Importantly, the Coote Share price was trading at \$0.195 immediately before the Offer was announced.
- Coote also undertook a Placement in late 2007 which raised approximately \$70m at \$2.40 per Share.
- The price of Elph's Offer for Coote is \$0.26 per Share in cash.

**Performance of Coote versus the All Ordinaries Index from 3 March 2008 to 3 March 2010<sup>6</sup>**



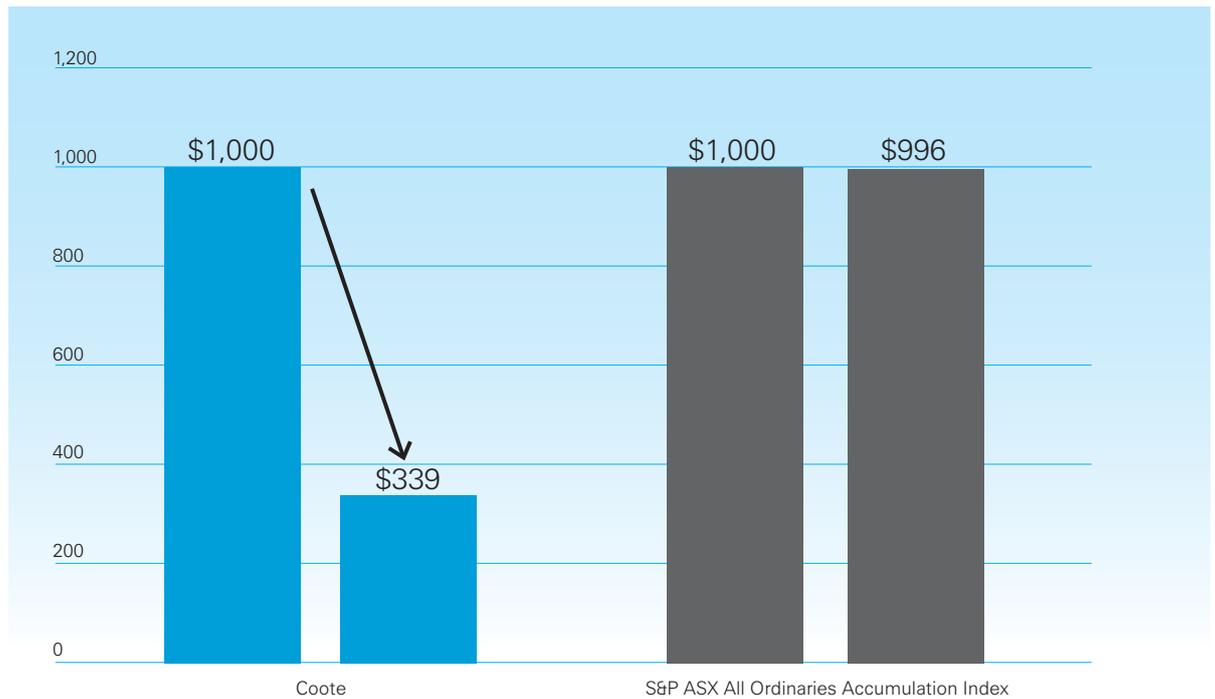
Source: IRESS Market Technology

<sup>6</sup> The All Ordinaries Index contained in the graph above has been rebased to Coote's closing price of \$1.37 per share on 3 March 2008.

### Investors in Coote's Initial Public Offer (IPO) have incurred substantial losses

As illustrated in the graph below, since listing on ASX in December 2006, total returns<sup>7</sup> for Coote Shareholders have been poor. Assuming a \$1,000 investment in the IPO of Coote (Shares were issued at \$1.00 per Share on 13 December 2006), the investment now would be worth only \$339 based on the closing share price of \$0.195 on 3 March 2010, being the closing price on the day of the announcement of the Offer. This equates to a loss of \$661. By way of comparison, a \$1,000 investment, over the same period, in the ASX All Ordinaries Accumulation Index would be worth \$996. This equates to a loss of only \$4.

**Value of \$1,000 invested in Coote on IPO versus the All Ordinaries Accumulation Index from 13 December 2006 to 3 March 2010**



Source: IRESS Market Technology

**Coote has significantly underperformed the broader Australian share market<sup>8</sup>**

<sup>7</sup> Total returns incorporate both the returns obtained from share price appreciation as well as from dividends.

<sup>8</sup> As measured by the ASX All Ordinaries Accumulation Index relative to the performance of Coote's share price (inclusive of dividends paid).

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# 3 Elph's proposed nominated directors can add value to the Coote Board

- Elph believes that by increasing its ownership interest in Coote (currently 24.95%), it will be able to exert more influence on Coote, its operations and future direction. Elph intends to seek to appoint Mr Dale Elphinstone (Executive Chairman of Elph) and Mr Vincent De Santis (Managing Director of Elph) to the Coote Board following the close of the Offer. Elph also intends to seek to appoint other nominees depending on the extent of the success of the Offer. Elph considers the Coote Board should consist of up to six directors comprised of at least two Elph nominees and at least two independent directors.
- Elph believes the skills, experience and relationships of the proposed nominated directors if appointed to the Coote Board can add significant value to Coote Shareholders in the future.
- Elph is a privately held company which is part of the Elphinstone Group of companies controlled by Elph's founder, Mr Dale Elphinstone. The Elphinstone Group has an extensive range of business interests and investments with a particular focus in the engineering, manufacturing, heavy machinery, logistics and resources industries.
- Elphinstone Group entity, William Adams Pty Ltd, is the authorised dealer of Caterpillar equipment in Victoria and Tasmania. The Elphinstone Group has enjoyed a long and very successful history in growing and operating a range of businesses. Since commencing as a sole trader in 1975, the Group has grown significantly with consolidated revenues now well in excess of \$500 million per annum and employee numbers exceeding 1,300 people in Australia and New Zealand.
- Elph notes the current Coote Board consists of only two non independent executive directors of Coote (Michael Coote and Donnie Patterson) and one independent director (Donald Hector).
- If appointed to the Coote Board, Elph's nominees intend to work with the Coote Board and management to conduct a review of Coote's assets and operations to evaluate their performance, profitability and prospects and in particular, their role in the achievement of a focused business strategy for Coote.
- Elph believes a vigorous review of this nature is required to enable Coote to fulfil its potential to become a leading Australian industrial services business with a particular focus on the provision of equipment and services to the Australian rail industry.
- Caterpillar, through its subsidiary Progress Rail Services, is one of the largest integrated and diversified suppliers of railroad and transit system products and services in North America with operations in other overseas locations as well. The Elphinstone Group, having owned and operated the dealership for Caterpillar mining and construction equipment in Victoria and Tasmania for over 22 years, has strong and valued relationships with Caterpillar and its affiliates. Through these relationships, Elph believes it can play a key role in realising the considerable business potential for Coote in its dealings with Progress Rail Services.

More information on Elph and its management and Elph's intentions if the Offer is successful can be found in Section 1.

**Elph believes the experience, relationships and skill sets of its proposed nominated directors if appointed to the Coote Board can add value to Coote**

# 4

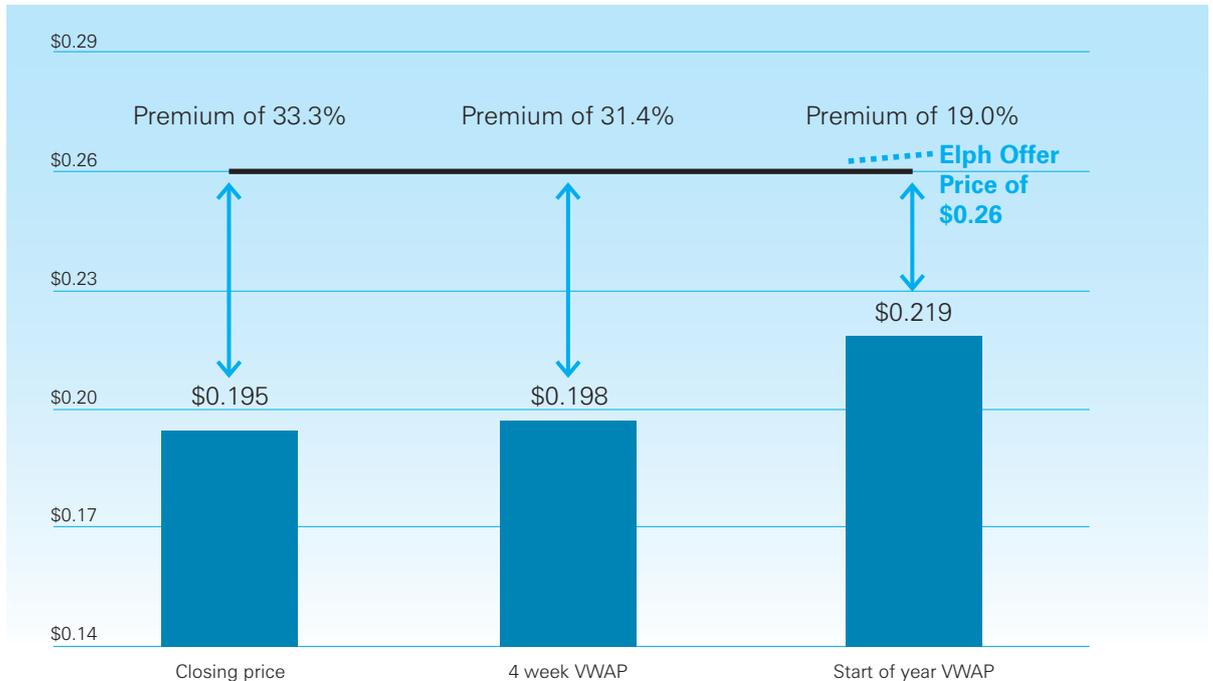
## Elph's Offer represents a substantial cash premium for up to 35% of your Shares

The Offer represents an attractive upfront premium to recent share prices for up to 35% of your Coote shares.

Elph's Offer of 26 cents per Share in cash represents a premium of:

- 33.3% to the price of Coote Shares of 19.5 cents on 3 March 2010, being the closing price on the day of the announcement of the Elph Offer;
- 31.4% to the volume weighted average share price (VWAP) of Coote Shares of \$0.198 for the four weeks leading up to and including 3 March 2010; and
- 19.0% to the volume weighted average price of Coote Shares of \$0.219 from the start of the 2010 calendar year up to and including 3 March 2010 of 21.9 cents per Share.

### Value of the consideration payable under the Offer relative to recent trading prices of Coote Shares up to 3 March 2010



Source: IRESS Market Technology

**The Elph Offer represents a substantial premium to recent Coote Share prices, provides Shareholders with certainty of cash for up to 35% of their shareholdings and provides Shareholders with an opportunity to de-risk their investment in Coote**

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# 5

## By accepting the Elph Offer, you will still benefit from the potential longer term turn around of Coote

By accepting the Offer, Shareholders will retain at least 65% of their shareholding in Coote. This will allow Shareholders who accept the Offer to share in any future value created in respect of their retained shareholding. Coote will remain listed on ASX.

**The Offer allows Coote Shareholders to retain exposure to any potential longer term turn around of Coote for their remaining Shares**

# 6

## There are risks in not accepting the Offer

Accepting the Offer provides Shareholders with the opportunity to de-risk their Coote investment at an attractive price which may otherwise be unavailable to them.

If Shareholders do not accept the Offer, they will be subject to the following risks:

- The Coote Share price may well fall. The Share price has risen from a closing price of 19.5 cents on 3 March 2010 (the day of announcement of the Offer) to a closing price of 25 cents on the day prior to the lodgement of this Bidder's Statement. There is a real risk that the Share price will fall following the close of the Offer and that any takeover premium in the Share price will disappear. No alternative proposal has emerged since Elph announced the Offer. Any such alternative proposal is unlikely given Elph's current 24.95% holding.
- Elph is providing Shareholders with a liquidity event to crystallise a material part of their shareholding in a manner where there is price certainty. No such price certainty can be assumed following the close of the Offer, nor can a liquid market for future sales be assumed. Given that Elph has in excess of a 20% shareholding in Coote, Elph is subject to usual statutory takeover restrictions from purchasing further Shares following the close of the Offer.

**Any takeover premium in the Coote Share price may disappear following the close of the Elph Offer**

# SUMMARY OF THE OFFER

Question	Answer	Further information
<b>What is Elph offering to buy and how many of my Shares can be accepted into the Offer?</b>	Elph is offering to buy up to 35% of your Shares, on the terms set out in Annexure 1 of this Bidder's Statement.	Annexure 1, Clause 1
<b>Why is Elph's Offer for 35% of your Shares and not for all of your Shares?</b>	<p>Elph is offering to acquire 35% of your Shares so that you are able to take the benefit of an attractive offer for part of your shareholding whilst being able to participate in any potential future turnaround in the longer term by retaining part of your investment in Coote.</p> <p>Elph believes that by increasing its ownership interest in Coote, it will be able to exert more influence on Coote's future direction. This should assist Elph in bringing about changes at Coote aimed at delivering improved performance and shareholder returns.</p>	Detailed reasons why you should accept the Offer, items 4 and 5
<b>Can I accept the Offer for less than 35% of my Shares?</b>	Yes. You will need to mark your preferred option on your Acceptance Form and complete the details accordingly.	Annexure 1, Clause 1
<b>What is the price payable under the Offer and what happens if I accept the Offer?</b>	<p>The price payable under the Offer is 26 cents per Share in cash. If you accept the Offer, you will:</p> <ul style="list-style-type: none"> <li>■ Be paid 26 cents for each of the Shares accepted under the Offer; and</li> <li>■ Get to keep at least 65% of your Shares.</li> </ul> <p>If by accepting the Offer you will be left holding less than \$500 worth of Shares, Elph will buy <b>all</b> of your Shares for 26 cents each. If you are not sure whether you would be left with a shareholding in Coote that could be worth less than \$500, please call your stockbroker or financial adviser.</p>	Annexure 1, Clause 1
<b>What is the premium under the Offer?</b>	The Offer provides a substantial share price premium for up to 35% of your Shares over the period prior to the announcement of the Offer.	Detailed reasons why you should accept the Offer, item 4

Question	Answer	Further information
<b>Are there any conditions to the Offer?</b>	<p>The Offer is conditional on a number of factors, including:</p> <ul style="list-style-type: none"> <li>■ No Coote Material Adverse Change.</li> <li>■ No acquisitions or disposals of any assets or entry into any agreement with an aggregate value in excess of \$5 million, except to allow payment of \$6.5 million by Coote to Elphinstone Holdings Pty Ltd if Elphinstone Holdings Pty Ltd exercises its put option to sell its shares in Greentrains Limited to Coote. Elphinstone Holdings Pty Ltd's current intention is to exercise this put option (refer to Section 1.3 for further details).</li> <li>■ No termination of rights under certain agreements.</li> <li>■ No 'prescribed occurrences' as listed in Section 652C of the Corporations Act.</li> </ul> <p>Full details of the Offer Terms, including the conditions of the Offer, are set out in Annexure 1.</p>	Annexure 1, Clause 6
<b>How do I accept the Offer?</b>	To accept the Offer, you must follow the instructions set out in the "How to accept the Offer" Section on page 2 of this Bidder's Statement, in your personalised Acceptance Form and in Clause 4 of Annexure 1.	How to accept the Offer, Acceptance Form and Annexure 1, Clause 4
<b>If I accept the Offer, can I try to sell the remainder of my Shares on-market?</b>	<p>You can sell the remainder of your Shares on ASX in the ex-offer market (following acceptance of the Offer). However, any purchaser of such Shares will not be able to accept the Offer in respect of those Shares.</p> <p>You should make yourself aware of the peculiar settlement arrangements for ex-offer trades on ASX. Settlement is normally managed on a deferred settlement basis and sellers are not normally paid sale proceeds until after the Offer closes.</p> <p>There are special trading arrangements on ASX in relation to any remaining Shares. If you do not accept the Offer in respect of your Shares and instead sell all of your Shares in the cum-offer market on ASX, the purchaser of those Shares may accept the Offer.</p>	Annexure 1, Clause 1.6
<b>If I accept the Offer when will I be paid?</b>	<p>If you accept the Offer, you will generally be paid on or before the earlier of:</p> <ul style="list-style-type: none"> <li>■ one month after the date the Offer is validly accepted by you or, if the Offer is conditional when accepted, within one month after all the conditions have been fulfilled or removed; or</li> <li>■ 21 days after the end of the Offer Period provided that the Offer has become unconditional.</li> </ul>	Annexure 1, Clause 5

Question	Answer	Further information
<b>When does the Offer close?</b>	The Offer closes at 7:00pm (AEST) on 3 May 2010 unless it is extended under the Corporations Act.	Annexure 1, Clause 3
<b>Can the Offer Period be extended?</b>	The Offer Period can be extended at Elph's election (subject to the Corporations Act). Any extension will be announced to ASX.	Annexure 1, Clause 3
<b>Do I have to pay costs or expenses associated with the Offer?</b>	<p>You will not pay stamp duty on the disposal of your Shares to which this Offer applies if you accept the Offer.</p> <p>If your Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to Elph, you will not incur brokerage in connection with your acceptance of the Offer. If your Shares are registered in a CHESS Holding, or if you are a beneficial owner whose Shares are registered in the name of a broker, bank, custodian or other nominee, you should ask your Controlling Participant (usually your broker) or that nominee whether it will charge any transaction fees or service charges in connection with acceptance of the Offer.</p>	Annexure 1, Clause 9.3
<b>What are the tax implications if I accept the Offer?</b>	This depends on your personal tax situation. You should consult your financial, taxation or other professional adviser for detailed taxation advice before making a decision as to whether or not to accept the Offer. Section 3 contains a general summary of the major likely Australian tax consequences for Shareholders who accept the Offer.	Section 3
<b>Where do I go for further information?</b>	If you are in any doubt as to how to deal with the Offer, you should consult your broker or your legal, financial or other professional adviser. If you have any questions about the Offer or how to accept it, please contact the Offer Information Line on 1300 733 145 for callers within Australia and +612 8256 3362 for callers outside Australia.	

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# SECTION 1

# INFORMATION

# ABOUT ELPH

## 1.1 BACKGROUND

Elph is a privately held company which is part of the Elphinstone Group of companies controlled by Elph's founder and Executive Chairman, Mr Dale Elphinstone. The Elphinstone Group has an extensive range of business interests and investments with a particular focus in the engineering, manufacturing, heavy machinery, logistics and resources industries.

The Elphinstone Group entity, William Adams Pty Ltd, is the authorised dealer of Caterpillar equipment in Victoria and Tasmania while Allforks Australia Pty Ltd is the dealer for Caterpillar forklifts in New South Wales, Victoria, Western Australia and Tasmania. The Elphinstone Group has enjoyed a long and very successful history in growing and operating a range of businesses and since commencing as a sole trader in 1975, the Group has grown significantly with consolidated revenues now well in excess of \$500 million per annum and employee numbers exceeding 1,300 people in Australia and New Zealand.

The Elphinstone Group also has strong ongoing and valued relationships with Caterpillar Inc. which have been formed not only through the Group's long standing dealer arrangements with Caterpillar but also from the Group's former underground mining equipment manufacturing business which utilised Caterpillar engines and other components in the manufacture of large underground loaders and articulated trucks. This business has since been acquired by Caterpillar.

Elph holds 24.95% of the issued share capital of Coote. The directors of Elph are Dale Elphinstone, Cheryl Elphinstone and Vincent De Santis.

## 1.2 FUNDING OF THE OFFER

Elph's Offer is a cash offer. The maximum amount of cash that Elph would be required to pay under the Offer for 35% of the Shares on issue (excluding the Shares already owned by Elph) as at the date of this Bidder's Statement is estimated as approximately \$18.2 million. As at the date of this Bidder's Statement Elph has cash on deposit in excess of this and Elph can fund the acquisition from this. In addition amounts are owed on demand to Elph by associated entities of Elph which can be used to fund the acquisition, and Elph is satisfied that those associated entities have cash and/or access to committed finance facilities which together with Elph's cash on deposit is more than sufficient to fund this sum.

## 1.3 INTENTIONS IN RELATION TO GREENTRAINS PUT OPTION

In April 2009, Elph agreed to subscribe for 6,500,000 shares in Greentrains (Greentrains Shares). These shares, which were not issued until 17 July 2009, represent a 19.8% holding in Greentrains. In consideration for Elph agreeing to subscribe for the Greentrains Shares, Coote granted to Elph a put option for Elph to sell the Greentrains Shares to Coote. Elph has assigned the Greentrains Shares and its put option over the Greentrains Shares to its parent, Elphinstone Holdings Pty Ltd. The put option is capable of being exercised by Elphinstone Holdings Pty Ltd up to 16 July 2010 at an exercise price of \$6.5 million. Elph has been advised by Elphinstone Holdings Pty Ltd that its present intention is to exercise the put option at some time (yet to be determined) before its expiry so that Coote will be required to purchase the Greentrains Shares and pay Elphinstone Holdings Pty Ltd the \$6.5 million exercise price within 20 business days from the date of exercise. For further details in relation to Greentrains see Section 2.11.

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## 1.4

### PROPOSED NOMINEES TO THE COOTE BOARD

In order to assist in driving the changes necessary to enable Coote to achieve its potential, Elph's present intention is to seek to appoint at least two nominees to the Coote Board, including the following people:

- Dale Elphinstone, Executive Chairman, FAICD, Age 59 – Mr Elphinstone is the Executive Chairman of the Elphinstone Group which he founded in 1975. Mr Elphinstone has considerable experience in the engineering, manufacturing and heavy machinery industries and among other things is one of the longest serving Caterpillar dealer principals in Australia having acquired the Caterpillar dealerships in Victoria and Tasmania in 1987. He was a director of Caterpillar subsidiary, Caterpillar Underground Mining Pty Ltd until December 2008 and of the formerly publicly listed Queensland Gas Company Limited from October 2002 to November 2008. Mr Elphinstone is also a director of ASX listed National Hire Group Limited.
- Vincent De Santis, Managing Director, B.Com/LLB (Hons), Age 40 – Vince joined the Elphinstone Group in 2000 as the Group's Legal Counsel and Finance & Investment Manager. He is a director of various Elphinstone Group companies and the alternate director for Mr Elphinstone on the board of National Hire Group Limited. (He was also Mr Elphinstone's alternate on the board of Queensland Gas Company Limited). Immediately prior to joining the Elphinstone Group, Vince was a Senior Associate in the Energy Resources & Projects work group of national law firm Corrs Chambers Westgarth in Melbourne.

Elph intends to seek to appoint Mr Dale Elphinstone and Mr Vincent De Santis to the board of Coote following the close of the Offer. Elph also intends to seek to appoint other nominees depending on the extent of success of the Offer. Elph considers that the Coote Board should consist of up to six directors comprised of at least two Elph nominees and at least two independent directors.

## 1.5

### GENERAL INTENTIONS IN RELATION TO COOTE

Elph intends to work with the Coote Board and management to conduct a review of Coote's assets and operations to evaluate their performance, profitability and prospects and in particular, their role in the achievement of a focused business strategy for Coote. Elph expects, subject to this review, that Coote would proceed to either sell or restructure any assets or businesses or other peripheral activities of Coote which are surplus to requirements, do not currently produce an economic return to Shareholders or which are not considered to form a key part of a longer term operation concentrated in areas where Coote has the capability of becoming a market leader. This would include specific consideration in relation to the proposed reduction of interest in Greentrains and the proposed sale of South Spur Logistics. Elph believes that a vigorous review of this nature is required to enable Coote to fulfil its potential to become a leading Australian industrial services business with a particular focus on the provision of equipment and services to the Australian rail industry. Subject to this, it is the present intention of Elph to continue to operate the business of Coote and to continue the employment of Coote's present employees.

The intentions described above set out Elph's current intentions in relation to Coote. These intentions have been formed on the basis of facts and information concerning Coote and the general business environment, which are known at the time of preparing this Bidder's Statement. Final decisions will only be reached by Elph in light of material information and circumstances at the relevant time and a closer review of Coote's business. Accordingly, the statements set out in this Section of the Bidder's Statement are statements of current intention only and may vary as new information becomes available or as circumstances change.

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## SECTION 2

# INFORMATION ABOUT COOTE

### 2.1 GENERAL OVERVIEW

Coote listed on the ASX in December 2006 at \$1 per Share. Coote also undertook further major capital raisings in November 2007 at \$2.40 per Share and recently at 26 cents per share. Coote provides technical sales and services to the resources, rail, transport, defence, maritime and power generation industries. For further information on Coote, investors should read the ASX announcements made by Coote. A list of announcements made by Coote since 28 October 2009 (being the date that the Coote annual report was most recently lodged with the ASX) before this Bidder's Statement was lodged with ASIC is attached as Annexure 2.

### 2.2 COOTE BUSINESSES

Coote holds a diversified portfolio of investments with some of the larger investments described below.

- Gemco Rail – Specialises in the remanufacture and repair of locomotives, wagons, bearings and other rail products for rail operators and maintainers.
- Greentrains – Leasing of rolling stock to Australian rail operators. Greentrains' key customer is Coote's subsidiary, South Spur Logistics. For a further discussion of the Greentrains business refer to Sections 1.3 and 2.11.
- Convair – Design and manufacture of pneumatic road tanker and mobile silos for the carriage and storage of construction materials, grains and other dry bulk materials.
- Drivetrain – Provider of technical sales and services to the mining, oil and gas, rail, transport, defence, marine, construction, materials handling, automotive, agriculture and power generation industries.
- Industrial Powertrain – Specialises in the repair and overhaul of powertrain and drive-line equipment for heavy industrial vehicles used in above and below mining, materials handling and agricultural applications.
- Momentum – Provider of personnel and project management services to freight rail and mining infrastructure managers.
- South Spur Logistics – Rail operator engaged in short-haul rail freight, port shuttles, shunting services and hook and pull, as well as providing project/work trains and crew for track laying and maintenance activities. Also provides specialised transportation and port logistics services, primarily for mine-site inputs and outputs, agricultural and industrial investment. Coote has indicated that it intends to divest this business.

### 2.3 COOTE DIRECTORS

The directors of Coote are set out below:

- Donald Hector, Non-Executive Director (Chairman);
- Michael Coote, Managing Director; and
- Donnie Patterson, Director and Chief Executive Officer.

## 2.4 FINANCIAL OVERVIEW

Based on Coote's Half Yearly Report, as at 31 December 2009, Coote had:

- Total assets of \$366,866,000;
- Total liabilities of \$186,547,000; and
- Total equity of \$182,319,000.

For further details of Coote's financial status, please refer to Coote's Half Yearly Report and 2009 Annual Report available on the ASX website ([www.asx.com.au](http://www.asx.com.au); ASX code CXG) or on Coote's website ([www.coote.com.au](http://www.coote.com.au)) or by contacting Coote.

## 2.5 COOTE'S ISSUED SECURITIES

According to the documents lodged by Coote with the ASX, Coote has the following securities on issue at the date of this Bidder's Statement:

- 266,438,788 Shares; and
- 3,000,000 Options.

The Options are unlisted and expire on 29 August 2011. The exercise price of the Options are as follows and are well out of the money:

Number of Options	Exercise Price
1,000,000	\$3.00
1,000,000	\$3.50
1,000,000	\$4.00

The Offer does not extend to Shares issued on any exercise of the Options.

## 2.6 SUBSTANTIAL SHAREHOLDERS IN COOTE

As at the date of this Bidder's Statement, the following entities had notified Coote of current substantial shareholdings in Coote (with the Coote shareholding and voting power being calculated on the basis of information which has been disclosed publicly):

Substantial Shareholder	Number of Shares held	Voting Power (%)
Elph, Elphinstone Holdings Pty Ltd and Dale Brendon Elphinstone	66,464,856	24.95%
Michael Coote, Ganesha Nominees Pty Ltd as trustee for the Ganesha Family Trust and Ganesha Nominees Pty Ltd as trustee for the Ganesha Super Fund	42,811,184	16.07%
Equity Trustees Limited as responsible entity for SGH Professional Investor Smaller Companies Trust	20,628,964	7.74%

## 2.7 DETAILS OF RELEVANT INTERESTS IN SHARES HELD BY ELPH

Elph holds a relevant interest of 24.95% in Shares as at the date of the Bidder's Statement and the date of the Offer. Elph does not hold a relevant interest in the Options.

If Elph acquires 35% of the Shares on issue as at the Register Date that it does not currently hold (the total of such Shares being 199,973,932), Elph would then hold approximately 51.21% of the Shares (based on the number of Shares on issue as at the date of this Bidder's Statement).

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## 2.8 CONSIDERATION PROVIDED FOR SHARES DURING THE PREVIOUS 4 MONTHS

In July 2009, Coote issued, or agreed, subject to shareholder approval, to issue convertible notes to Elph in consideration for Elph advancing \$4 million to Coote. The convertible notes comprised two tranches:

- First tranche: 10,871,200 convertible notes issued for \$1.864 million (17.14 cents each); and
- Second tranche: 12,457,694 convertible notes issued for \$2.136 million (17.14 cents each). The issue of these notes was subject to shareholder approval which was given at a general meeting of Coote shareholders held on 21 October 2009.

The Shares issued upon conversion of the convertible notes on a 1 for 1 basis were issued to Elph on 9 December 2009.

Elph acquired Shares in November and December 2009 under Coote's \$30 million share placement to institutional and sophisticated investors and its \$10 million Share Purchase Plan. Under the share placement and the Share Purchase Plan, Elph was issued 29,863,846 Shares at 26 cents each (Of the \$10 million Coote sought to raise under the Share Purchase Plan, the company only received applications for approximately \$1.2 million.)

Aside from these matters, Elph has not provided any consideration for Shares during the period of 4 months before the date of the Offer.

## 2.9 NO INDUCING BENEFITS GIVEN DURING THE PREVIOUS 4 MONTHS

Except as set out in this Bidder's Statement, neither Elph nor any of its associates has, during the period of 4 months before the date of the Offer, given, or offered to give or agreed to give, a benefit to another person where the benefit was likely to induce the other person, or an associate, to accept the Offer or dispose of Shares which benefit is not offered to all Shareholders under the Offer.

## 2.10 CONVERTIBLE NOTES INTEREST AND SECURITY HELD OVER COOTE BY ELPH

In July 2009 Elph advanced a loan of \$4 million to Coote in consideration for Coote issuing, or agreeing to issue, convertible notes to Elph (refer above in Section 2.8 for further details of the convertible notes transaction.) For the purpose of securing the loan, Elph was granted second ranking charges over the assets and undertaking of Coote and a number of its Related Entities. At the date of this Bidder's Statement, those charges have not been released due to Coote not having paid Elph the outstanding interest owed on the convertible notes.

Under the terms on which the loan was advanced and the convertible notes issued, Coote was also required to pay interest at the rate of 8% or at the higher rate of 10% per annum if Coote defaulted on the payment of such interest to Elph. The interest owing to Elph by Coote at the date of this Bidder's Statement is approximately \$147,000.

Commonwealth Bank of Australia (CBA) holds first ranking charges over Coote and its Related Entities. Under Coote's banking arrangements, Coote, Elph and CBA have agreed that Coote will not be permitted to pay any interest to Elph whilst Coote is in breach of its financial covenants with CBA, however this amount remains due and payable by Coote (refer to 'Detailed reasons why you should accept the Offer' item 1).

## 2.11 INFORMATION ABOUT GREENTRAINS

We have set out below a short history of Greentrains. Refer to 'Detailed reasons why you should accept the Offer' item 1 for further details.

Date	Event
<b>22 January 2008</b>	Coote announces that it had completed the acquisition of rolling stock assets including 51 diesel-electric freight locomotives and 262 wagons.
<b>26 June 2008</b>	Greentrains is registered with Coote not having any shareholding.
<b>31 October 2008</b>	In its 2008 annual report, Coote announces that in the second half of financial year 2008, a number of locomotives and wagons were refurbished and sold to Greentrains. The annual report also notes that Coote's board had provided an extension to the end of October 2008 to enable Greentrains to complete the transaction and that Coote's directors believe that it was probable that the full amount of the receivable would be paid.
<b>13 November 2008</b>	Coote announces that considerable progress had been made towards securing funding for settling the transaction with Greentrains and that the revised target settlement of a major portion of the remaining receivable to Coote was within the next few weeks (from 13 November 2008) and that on information available to the Coote Board at the time, it was probable that that target would be met.
<b>2 March 2009</b>	Coote announces that Greentrains had progressed towards finalisation of debt funding and that additional working capital was being concluded in order to facilitate a planned ASX listing.
<b>April 2009</b>	Elph agreed to subscribe for 6,500,000 shares in Greentrains for \$6.5 million subject to certain conditions, including Greentrains being able to raise debt and equity financing to complete the acquisition of rolling stock from Coote within 6 weeks. Coote also granted Elph a put option for Elph to sell its Greentrains shares to Coote.
<b>17 July 2009</b>	Coote announces that Greentrains had finalised its acquisition of the first tranche of locomotives and rolling-stock and that Coote, Elph and Orange Grove Brickworks Pty Ltd (a company where Michael Coote is the sole director) had taken equity positions in Greentrains. Greentrains became a subsidiary of Coote. Elph and Coote also entered into arrangements for Coote to issue convertible notes to Elph as detailed in Section 2.10 in consideration for Elph advancing \$4 million to Coote.
<b>6 August 2009</b>	Coote announces that the sale of the second tranche of rolling stock to Greentrains had attracted much stronger investor interest after settlement of the first transaction and subsequent strengthening and clarification of Greentrains' business model.
<b>28 October 2009</b>	In its 2009 annual report, Coote announces that Greentrains has attracted further interest in its operations, and as a consequence Coote expected that proceeds from the sale of the second tranche of assets by Coote would be settled soon after completion and delivery.
<b>9 November 2009</b>	Coote announces that Greentrains had issued an information memorandum regarding settling the transaction for the second tranche of rolling stock. Coote also announced that Coote and Elph had entered into the put option regarding shares in Greentrains.
<b>18 November 2009</b>	Coote announces that settling the sale of the second tranche of assets to Greentrains is one of its key objectives for the 2010 financial year.
<b>1 March 2010</b>	Coote announces that a prospectus to raise up to \$20 million in equity was scheduled for lodgement in March 2010 as part of Greentrains' listing aspirations. Coote also noted that Greentrains was continuing to discuss funding options with a number of financial institutions coinciding with the equity raising.

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## SECTION 3

# AUSTRALIAN TAX CONSIDERATIONS

### 3.1 GENERAL

The following is a general summary of the principal Australian tax consequences generally applicable to Shareholders who dispose of their Shares under the Offer for cash consideration. These consequences will depend on the individual circumstances of Shareholders. You should make your own inquiries and seek independent professional advice on your circumstances.

The comments set out below are relevant only to those Shareholders who hold their Shares as capital assets for the purpose of investment and who do not (or would not) hold those Shares in connection with the conduct of a business. Certain Shareholders (such as those engaged in a business of trading or investment, those who acquired their Shares for the purpose of resale at a profit or those which are banks, insurance companies, tax exempt organisations, superannuation funds, or persons who acquired their Shares in the course of their employment with Coote) will or may be subject to special or different tax consequences peculiar to their circumstances.

The following outline is based upon Australian taxation law and practice in effect as at the date of this Bidder's Statement. It is not intended to be an authoritative or complete statement or analysis of the taxation laws applicable to the particular circumstances of every Shareholder. Shareholders should seek independent professional advice regarding the taxation consequences of disposing of Shares in the light of their own particular circumstances.

### 3.2 AUSTRALIAN-RESIDENT SHAREHOLDERS

If you accept the Offer, you will be treated as having disposed of your Shares. If you held them on capital account and you dispose of them, such a disposal is likely to constitute a CGT event for CGT purposes. Australian resident Shareholders may make a capital gain or capital loss on the disposal of their Shares under the Offer.

Capital gains and capital losses of a taxpayer in a year of income are aggregated to determine whether there is a net capital gain. If so, that net capital gain is included in assessable income and is subject to income tax. However, a 'CGT Discount' may be available to reduce the taxable gain for certain Shareholders (see further below). Capital losses may be offset only against capital gains realised in the same income year or be carried forward to be offset against future capital gains (not against other income for income tax purposes).

In general, the capital gain or loss on the disposal of a Share under the Offer is the difference between the value of the capital proceeds (i.e. the consideration received from Elph) and the cost base of the Share. The cost base of Shares is generally their cost of acquisition or deemed cost of acquisition. Certain other amounts associated with acquisition and disposal, such as brokerage or stamp duty, may be added to the cost base. The capital loss will be calculated on the basis of the difference between the capital proceeds and the reduced cost base of the Share.

A Shareholder who is an individual, complying superannuation entity or trustee of a trust may be eligible for a 'CGT Discount' if they acquired (or are deemed to have acquired) their Shares 12 months or more before the time they accept the Offer. The CGT Discount is not available to companies, nor does it apply to Shares owned (or deemed to be owned) for less than the relevant 12 month period.

Shareholders should consult their own tax advisers in this regard.

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### 3.3

#### **NON-RESIDENT SHAREHOLDERS**

Shareholders who are not resident in Australia for tax purposes should also consider the tax consequences under the laws of their country of residence, as well as under Australian law, of the disposal of Shares under the Offer. Shares held by a Shareholder who is not an Australian resident for tax purposes will be taxable Australian property only if:

- (a) the shares are an indirect Australian real property interest; or
- (b) the shares were used at any time by the Shareholder in carrying on a business through a permanent establishment in Australia.

Shares will not constitute an indirect Australian real property interest unless the total market value of Australian real property assets is more than 50% of the total market value of Coote's assets. Based on publicly available information about the nature and location of Coote's assets, it is not expected that Shares will constitute an indirect Australian real property interest. Therefore, Shares will only be taxable Australian property if the Shareholder uses (or has used) their Shares in carrying on a business through a permanent establishment in Australia.

### 3.4

#### **STAMP DUTY AND GST**

No stamp duty will be payable by Shareholders on the transfer of Shares to Elph pursuant to the Offer. Shareholders may be charged GST on costs (such as brokerage and advisor fees) that relate to their participation in the Offer. Shareholders may be entitled to input tax credits for such costs, but should seek independent advice in relation to their individual circumstances.

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## SECTION 4

# ADDITIONAL INFORMATION

### 4.1 ASIC MODIFICATIONS AND EXEMPTIONS

ASIC has published various Class Order instruments providing for modifications and exemptions that apply generally to all persons including Elph in relation to the operation of Chapter 6 of the Corporations Act. Elph has relied on the modification to the Corporations Act set out in those Class Orders to include references to statements by Coote and other persons in this Bidder's Statement without obtaining their consent, namely those documents specifically referenced as source materials. Elph will make available a copy of these documents or of relevant extracts from them free of charge to Shareholders who request them during the Offer Period. To obtain a copy of these documents or the relevant extracts, Shareholders may contact Elph.

### 4.2 CONSENTS

Baker & McKenzie, RBS Morgans Corporate Limited and Computershare Investor Services Pty Limited have each consented to being named in this Bidder's Statement in the form and context in which their names appear and have not withdrawn their consent prior to lodgement of this Bidder's Statement with ASIC. Each person named above as having given their consent to the inclusion of a statement or to being named in this Bidder's Statement:

- does not make, or purport to make, any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based other than, in the case of a person referred to above as having given their consent to the inclusion of a statement, a statement included in this Bidder's Statement with the consent of that person; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Bidder's Statement, other than a reference to their name and, in the case of a person referred to above as having given their consent to the inclusion of a statement, any statement which has been included in this Bidder's Statement with the consent of that person.

### 4.3 DATE FOR DETERMINING HOLDERS

For the purposes of Section 633(2) of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of Section 633(1) of the Corporations Act for the Offer is the Register Date.

### 4.4 OTHER MATERIAL INFORMATION

Except as set out elsewhere in this Bidder's Statement, there is no other information that is material to the making of a decision by a Shareholder whether or not to accept an Offer and known to Elph, that has not previously been disclosed to Shareholders.

### 4.5 APPROVAL OF THIS BIDDER'S STATEMENT

This Bidder's Statement has been approved by a resolution of Elph's board.

Signed by Dale Elphinstone, the Executive Chairman of Elph, in accordance with Section 351 of the Corporations Act.



17 March 2010

# GLOSSARY

In this Bidder's Statement the following words have these meanings unless the contrary intention appears or the context otherwise requires:

<b>\$ or dollar</b>	Australian dollars unless otherwise stated and excludes GST
<b>Acceptance Form</b>	The acceptance form which accompanies this Bidder's Statement
<b>AEST</b>	Australian Eastern Standard Time
<b>Announcement Date</b>	3 March 2010, being the date on which Elph publicly proposed to make the Offer under the Takeover Bid
<b>Associate</b>	Has the meaning given to it in the Corporations Act
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ASTC</b>	ASX Settlement and Transfer Corporation Pty Limited
<b>ASTC Settlement Rules</b>	The rules of ASTC from time to time
<b>ASX</b>	ASX Limited or the financial market which it operates, as the context requires
<b>Bidder's Statement</b>	This bidder's statement in respect of the Offer given by Elph under Part 6.5 of Chapter 6 of the Corporations Act
<b>Business Day</b>	A day on which banks are open for business in Victoria (other than a Saturday or Sunday)
<b>CGT</b>	Capital Gains Tax
<b>CHESS</b>	Clearing House Electronic Subregister System established and operated by ASTC for the clearing, settlement, transfer and registration of approved securities
<b>CHESS Holding</b>	A holding of Shares on the CHESS subregister of Coote
<b>Controlling Participant</b>	A participant who is designated as the controlling participant in a CHESS Holding in accordance with the ASTC Settlement Rules
<b>Coote</b>	Coote Industrial Limited
<b>Coote Board</b>	The board of directors of Coote
<b>Coote Material Adverse Change</b>	An event, occurrence, change, condition or matter which individually or when aggregated with all such events, occurrences, changes, conditions or matters has had, or could be reasonably expected to have, a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of Coote and its Related Entities taken as a whole
<b>Corporations Act</b>	Corporations Act 2001 (Cth)
<b>EBITDA</b>	Earnings before interest, taxes, depreciation and amortisation
<b>Elph</b>	Elph Pty Ltd

<b>Elphinstone Group</b>	Elph, its Related Entities and other entities controlled by Mr Dale Elphinstone or in which Mr Dale Elphinstone has at least a 20% interest
<b>Government Agency</b>	Any government or governmental, semi-governmental, administrative, monetary, fiscal or judicial body, department, commission, authority, tribunal, agency or entity including any self-regulatory organisation established under statute or otherwise discharging substantially public or regulatory functions, and ASX or any other stock exchange
<b>Greentrains</b>	Greentrains Limited (formerly Greentrains Pty Ltd)
<b>GST</b>	Goods and Services Tax as defined in A New Tax System (Goods and Services Tax) Act 1999
<b>Issuer Sponsored Holding</b>	A holding of Shares on Coote's issuer sponsored subregister
<b>Offer</b>	The offer by Elph for Shares under this Bidder's Statement
<b>Offer Period</b>	The period during which the Offer remains open for acceptance in accordance with this Bidder's Statement
<b>Offer Terms</b>	The formal terms and conditions of the Offer set out in Annexure 1 of this Bidder's Statement
<b>Options</b>	Options to subscribe for Shares
<b>Register Date</b>	The date set by Elph under Section 633(2) of the Corporations Act, being 17 March 2010
<b>Related Entity</b>	In relation to a party, any body corporate which is related to that party within the meaning of Section 50 of the Corporations Act.
<b>Remaining Shares</b>	Has the meaning given to it in Clause 1.6 of the Offer Terms in Annexure 1 of this Bidder's Statement
<b>Relevant Interest</b>	Has the meaning given to it in Sections 608 and 609 of the Corporations Act
<b>Rights</b>	All accretions and rights attaching to or arising from the Shares after the Announcement Date (including, without limitation, all rights to receive dividends and to receive or subscribe for Shares, stock units, notes or Options and all other distributions or entitlements declared, paid or issued by Coote)
<b>Shares</b>	Fully paid ordinary shares in the capital of Coote
<b>Shareholders</b>	Person registered in the register of members of Coote as a holder of one or more Shares
<b>Share Registry</b>	Computershare Investor Services Pty Limited
<b>SRN</b>	Securityholder reference number
<b>Takeover Bid</b>	Off-market takeover bid to be made by Elph under Chapter 6 of the Corporations Act
<b>Voting Power</b>	Has the meaning given to it in Section 610 of the Corporations Act

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# ANNEXURE 1

# OFFER TERMS

## 1. OFFER

### Partial offer

- 1.1 Elph offers to acquire up to 35% of your Shares together with all Rights attaching to them on the following terms and conditions (Clause 1.9 discusses treatment of fractions).
- 1.2 Subject to these terms, you may only accept this Offer for up to 35% of your Shares but not a greater proportion.
- 1.3 This Offer does not extend to any Options you may hold.
- 1.4 An Offer in this form and bearing the same date is being made to each person registered as the holder of Shares in the register of Shareholders as at 8.00am (AEST) on the Register Date.
- 1.5 The Offer does not extend to any Shares that are issued between the Register Date and the end of the Offer Period, including Shares issued as a result of the exercise of Options.

### Offer extends to others

- 1.6 This Offer extends to any person able to give good title to any of your Shares during the Offer Period and has not already accepted an Offer for those Shares (see Clause 8). This means that:
- (a) If you accept this Offer in respect of up to the maximum 35% of your Shares and subject to these terms, you are not entitled to accept the Offer for your remaining Shares (Remaining Shares), with the effect that the Offer travels with the Shares initially held. Elph will arrange for your Remaining Shares to be reserved on Coote's register so that a transferee of the Remaining Shares will be prevented from accepting this Offer. Any trading in Remaining Shares on ASX will be on an ex-offer and deferred settlement basis. ASX is likely to issue a bulletin to participants regarding trading and settlement in this regard to distinguish such "Deferred Ex Offer" Shares from those which are capable of accepting into the Offer.
- (b) If you do not accept the Offer, a corresponding Offer is deemed to be made to a transferee of any of your Shares you sell in the "Cum Offer" market. The transferee may accept the Offer in relation to the transferred Shares.
- (c) If you sell some of your Shares, a new 35% Offer is deemed to be made for your retained Shares and a corresponding 35% Offer is deemed to be made to the transferee in relation to the transferred Shares.

### Extension to unmarketable parcels

- 1.7 Despite Clauses 1.2 and 1.6, if accepting this Offer would leave you with less than a marketable parcel of Shares (i.e. less than \$500 worth of Shares measured by reference to the last price Shares had traded in the cum-offer market on the day your acceptance is processed), this Offer extends to the whole of that parcel and if you accept this Offer for your Shares, you will be deemed to have accepted for and be paid consideration for 100% of your Shares.

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### **Acceptance of Offer**

- 1.8 By accepting this Offer, you undertake to transfer to Elph not only the Shares to which the Offer relates, but also all Rights attached to the Shares.

### **Rounding**

- 1.9 If 35% of the number of Shares held by you is not a whole number, then the number of Shares you will be entitled to sell to Elph under the Offer will be rounded up to the nearest whole number.

### **Date of Offer**

- 1.10 This Offer is dated 31 March 2010.

## **2. CONSIDERATION**

### **Consideration offered**

- 2.1 Subject to the terms of this Offer, the consideration offered for each of your Shares to which this Offer relates is 26 cents in cash.

## **3. OFFER PERIOD**

- 3.1 The Offer will, unless withdrawn, remain open for acceptance during the period commencing on the date of this Offer and ending at 7.00pm (AEST) on the later of:
- (a) 3 May 2010; or
  - (b) any date to which the period of this Offer is extended in accordance with the Corporations Act.

## **4. HOW TO ACCEPT THIS OFFER**

### **General**

- 4.1 Subject to Clause 1.7, you may accept this Offer for 35% of your Shares or any lesser number of your Shares. You may accept the Offer at any time during the Offer Period.

### **Acceptance procedure**

- 4.2 The acceptance procedure will depend on whether your Shares are in an Issuer Sponsored Holding or a CHESS Holding. If you are in an Issuer Sponsored Holding, you will have a securityholder reference number (SRN) beginning with "I". If you are in a CHESS Holding, you will have a holder identification number (HIN) beginning with "X".

### **If you hold your Shares in an Issuer Sponsored Holding**

- 4.3 If your Shares are held on Coote's issuer sponsored subregister, then to accept this Offer in respect of those Shares, you must:
- (a) complete and sign the Acceptance Form which accompanies this Bidder's Statement in accordance with the terms of the Offer and the instructions on the Acceptance Form; and
  - (b) return the Acceptance Form together with all other documents required by the terms of this Offer and the instructions on the Acceptance Form to the address specified on the Acceptance Form, so that they are received before the end of the Offer Period.

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### **If you hold your Shares in a CHESS Holding**

- 4.4 If your Shares are held in a CHESS Holding, then to accept this Offer in respect of those Shares:
- (a) you must comply with the ASTC Settlement Rules;
  - (b) if you are the Controlling Participant, you must initiate acceptance of this Offer in accordance with rule 14.14 of the ASTC Settlement Rules before the end of the Offer Period; or
  - (c) if you are not the Controlling Participant, you may either:
    - (i) instruct your Controlling Participant (normally your stock broker), in accordance with the sponsorship agreement between you and the Controlling Participant, to initiate acceptance of this Offer in accordance with rule 14.14 of the ASTC Settlement Rules, such initiation to occur before the end of the Offer Period. If you choose to accept the Offer in this way, your Controlling Participant will be obliged by rule 14.14.1 of the ASTC Settlement Rules to initiate acceptance within the following timeframes:
      - (A) if you specify a time when or by which this Offer must be accepted, in accordance with those instructions; or
      - (B) otherwise, by End of Day (as defined in the ASTC Settlement Rules) on the day that you instruct the Controlling Participant to accept this Offer or, if the Offer Period ends on the day you provide those instructions, before the end of the Offer Period; or
    - (ii) complete, sign and return the Acceptance Form in accordance with the terms of the Offer and the instructions on the Acceptance Form, together with all other documents required by the terms of this Offer and the instructions on the Acceptance Form, to the address specified on the Acceptance Form, so that they can be accepted on your behalf before the end of the Offer Period.

### **Irrevocable authorisation**

- 4.5 By completing, signing and returning the Acceptance Form in respect of Shares in a CHESS Holding you will be deemed to have irrevocably authorised Elph (and any nominee or nominees of Elph) to:
- (a) instruct your Controlling Participant to initiate acceptance of this Offer in respect of all such Shares in accordance with rule 14.14 of the ASTC Settlement Rules; and
  - (b) give any other instructions concerning those Shares to your Controlling Participant on your behalf under the sponsorship agreement between you and the Controlling Participant.

### **Shares held in different holdings**

- 4.6 If at any time during the Offer Period your Shares consist of two or more distinct portions, this Offer is deemed to consist of separate corresponding Offers at the same time as if they were a single Offer for each distinct portion of Shares. An acceptance by you of one of the Offers which is deemed to exist in respect of a distinct portion is ineffective unless you have given to Elph a notice which:
- (a) if it relates to Shares in a CHESS Holding, must be in an electronic form approved by the ASTC Settlement Rules;
  - (b) if it relates to Shares in an Issuer Sponsored Holding or registered on Coote's register, must be in writing,
- stating that the relevant Shares consist of a distinct portion and your acceptance specifies the number of Shares in a distinct portion to which the acceptance relates. If this applies to you, please call the Share Registry for such additional copies of this Bidder's Statement or Acceptance Form as are necessary.

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**Nominee holdings**

4.7 If your Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee, you should contact that nominee for assistance in accepting this Offer.

**Mailing address**

4.8 The mailing address for completed Acceptance Forms is as follows:

*Computershare Investor Services Pty Limited  
GPO Box 52  
Melbourne VIC 3001*

4.9 A reply paid envelope (for use from within Australia only) is enclosed for your convenience.

**Shareholder's risk**

4.10 The method chosen to deliver the Acceptance Form and other documents is at your risk.

**Acceptance Form**

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

**Power of attorney, deceased estate**

4.12 When accepting this Offer, you should also forward:

- (a) if the Acceptance Form is executed by an attorney, a certified copy of the power of attorney; and
- (b) if the Acceptance Form is executed by the executor of a will or the administrator of the estate of a deceased Shareholder, a certified copy of the relevant grant of probate or letters of administration.

**Signing under power of attorney**

4.13 If the Acceptance Form is signed under power of attorney, the attorney will be taken to have declared that the attorney has no notice of revocation of the power and is empowered to delegate powers under the power of attorney as contemplated by Clause 4.12.

**When acceptance is complete**

4.14 Acceptance of this Offer will not be complete until the completed Acceptance Form has been received at the address set out in Clause 4.8 above and the requirements of this Clause 4 have been met, provided that:

- (a) Elph may in its sole discretion waive any or all of those requirements at any time; and
- (b) where such requirements have been complied with in respect of some but not all of your Shares, Elph may, in its sole discretion, deem your acceptance of this Offer complete in respect of those Shares for which the requirements have been complied with but not in respect of the remainder.

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## 5. PAYMENT OF CONSIDERATION

### When Consideration is provided

- 5.1 Subject to Clause 5.3 and the Corporations Act, if the contract resulting from your acceptance of this Offer becomes unconditional, Elph will provide the consideration to which you are entitled on acceptance of this Offer on or before the earlier of:
- (a) one month after the date this Offer is accepted or, if the Offer is subject to a defeating condition when accepted, within one month after this Offer or the contract resulting from your acceptance of this Offer becomes unconditional; or
  - (b) 21 days after the end of the Offer Period.
- 5.2 Payment of any cash amount to which you are entitled will be made by cheque drawn in Australian currency in your favour. The cheque will be sent to you, at your risk, by ordinary mail (or in the case of Shareholders with addresses outside Australia, by airmail) to your address as shown on the Acceptance Form.

### Where additional documents are required

- 5.3 Where the Acceptance Form requires additional documents to be given with your acceptance (such as a power of attorney):
- (a) if the documents are given with your acceptance, Elph will provide the consideration in accordance with Clause 6.1;
  - (b) if Elph is given the documents after acceptance and before the end of the Offer Period, Elph will provide the consideration:
    - (i) if at the time that Elph is given the documents the Offer is subject to a defeating condition, by the earlier of one month after this Offer or the contract resulting from your acceptance of the Offer becomes unconditional or 21 days after the end of the Offer Period; or
    - (ii) if the Offer is unconditional at the time that Elph is given the documents, by the earlier of one month after Elph is given the documents or 21 days after the end of the Offer Period; and
  - (c) if the documents are given after acceptance and after the end of the Offer Period, Elph will provide the consideration:
    - (i) if at the time that Elph is given the documents, the contract resulting from your acceptance of the Offer is subject to a defeating condition that relates only to the happening of an event or circumstance referred to in Sections 652C (1) or (2) of the Corporations Act, within 21 days after the contract becomes or is declared unconditional; or
    - (ii) if at the time that Elph is given the documents the contract resulting from your acceptance of the Offer is unconditional, within 21 days after Elph is given the documents.
- 5.4 If you do not provide Elph with any required additional documents within one month after the end of the Offer Period, Elph may, in its sole discretion, rescind the contract resulting from your acceptance of the Offer.

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### Where Elph is entitled to any Rights

- 5.5 If Elph becomes entitled to any Rights on acceptance of this Offer, you must give Elph all documents required to give Elph title to those Rights. If you do not give those documents to Elph, or if you have received the benefit of those Rights, Elph will deduct from the consideration otherwise due to you the amount (or value, as reasonably assessed by Elph) of those Rights.

### Clearances for offshore residents and others

- 5.6 If, at the time of acceptance of this Offer, any authority or clearance of the Reserve Bank of Australia (whether under the Banking (Foreign Exchange) Regulations 1959 or otherwise), or of the Australian Taxation Office, is required for you to receive any consideration under this Offer or you are resident in or a resident of a place to which, or you are a person to whom, any other law of Australia would make it unlawful for Elph to provide the consideration payable for your Shares, acceptance of this Offer will not create or transfer to you any right (contractual or contingent) to receive the consideration specified in this Offer unless and until all requisite authorities or clearances have been obtained.

## 6. CONDITIONS OF THE OFFER

- 6.1 The Offer and any contract resulting from acceptance of the Offer are subject to fulfilment of the following conditions:

- (a) no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Takeover Bid or the transactions contemplated by the Takeover Bid is in effect at the close of the Offer Period.
- (b) between the Announcement Date and the end of the Offer Period (each inclusive), no Coote Material Adverse Change occurs.
- (c) between the Announcement Date and the end of the Offer Period (each inclusive) none of the following have occurred:
  - (i) Coote or any Related Entity of Coote doing or omitting to do anything that causes or is reasonably likely to cause any licence or permit necessary or desirable for the conduct of its business to be suspended, revoked, cancelled or otherwise materially adversely impacted;
  - (ii) Coote or any Related Entity of Coote acquiring (including by way of subscription for equity), offering to acquire, agreeing to acquire, leasing, or entering into a binding commitment, or granting a person an irrevocable option to require it, to acquire or lease any asset for a consideration of greater than \$5 million, or making an announcement in relation to such an acquisition, offer or agreement, except to allow payment of \$6.5 million by Coote to Elphinstone Holdings Pty Ltd if Elphinstone Holdings Pty Ltd exercises its put option to sell its shares in Greentrains Limited to Coote;

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- (iii) Coote or any Related Entity of Coote leasing, sub-leasing or disposing of, offering to lease or sub-lease or dispose of, agreeing to lease or sub-lease or dispose of or granting a person an irrevocable option to require it to lease or sub-lease or dispose of any asset (including any shares held by Coote or a Related Entity of Coote) (or any interest in one or more assets) for a consideration of greater than \$5 million, or making an announcement in relation to such a lease, sub-lease, disposition, agreement or option, other than inventory in the ordinary course of business, except to allow Greentrains Limited to raise capital through the issue of share subscriptions of up to \$20 million;
  - (iv) Coote or a Related Entity of Coote increasing its level of financial indebtedness (including financial liabilities incurred under finance leases) other than in the ordinary and usual course of business by an amount in excess of \$10 million;
  - (v) Coote or any Related Entity of Coote making capital expenditure in excess of \$10 million in aggregate;
  - (vi) Coote or any Related Entity of Coote entering in a joint venture, partnership or other similar arrangement;
  - (vii) Coote declaring, paying or distributing any dividend, bonus or other share of its profits or assets or returning or agreeing to return any capital to its members (or announcing or recommending any of the foregoing);
  - (viii) Coote or a Related Entity of Coote creating, or agreeing to create, any mortgage, charge, lien or other encumbrance over the whole, or a substantial part, of its business or property;
  - (ix) Coote or any Related Entity is or becomes a party to any material prosecution, litigation or arbitration other than as a plaintiff or applicant, in respect of Coote or any of its subsidiaries or their respective business or assets that exposes Coote or the subsidiary to a potential liability exceeding \$1 million (including legal costs) or having a material effect on the business of Coote or any of its Related Entities, not including litigation that is initiated or instigated by Elph or any of its subsidiaries; or
  - (x) Coote or any Related Entity enters into or agrees to enter into any contract of service or management contract, or varies or agrees to vary any existing contract of service or management contract with any director or officer of Coote or any Related Entity, or pays or agrees to pay any retirement benefit or allowance to any director or officer of Coote or any Related Entity, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director or officer of Coote or any Related Entity (except as required by law or provided under any agreement or arrangement as in effect and publicly disclosed as at the Announcement Date).

For the avoidance of doubt, if any of the events referred to in Clauses 6.1(c)(ii), (iii), (iv), (v) and (ix) have occurred but a monetary threshold has not been reached, the amount arising in relation to two or more of those events are aggregated to reach the monetary limit and the event will be deemed to have occurred.

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- (d) between the Announcement Date and the end of the Offer Period, no person exercises or purports to exercise, or states an intention to exercise, any rights under any provision of any agreement or other instrument to which Coote or any Related Entity is a party, or by or to which Coote or any Related Entity or any of its assets may be bound or be subject (including but not limited to any dealer or distribution agreement), which results, or could result, to an extent which is material to Coote, in:
- (i) any monies borrowed by Coote or any Related Entity of Coote being or becoming repayable or being capable of being declared repayable immediately or earlier than the repayment date stated in such agreement or instrument;
  - (ii) any agreement or other instrument being terminated or modified or any action being taken or arising thereunder;
  - (iii) the interest of Coote or any Related Entity of Coote in any firm, joint venture, trust, corporation or other entity (or any arrangements relating to such interest) being terminated, modified or required to be transferred or redeemed; or
  - (iv) the business of Coote or any Related Entity of Coote with any other person being adversely affected.
- (e) between the Announcement Date and the end of the Offer Period (each inclusive), as a result (directly or indirectly) of the acquisition or proposed acquisition of Shares by Elph:
- (i) no person becomes entitled to exercise, exercises or purports to exercise, or states an intention to exercise, any rights under any provision of any agreement or other instrument to which Coote or any Related Entity of Coote is a party, or by or to which Coote or any Related Entity of Coote or any of its assets may be bound or be subject, which results, or could reasonably be expected to result, to an extent which is material in the context of Coote or Coote and its Related Entities taken as a whole, in:
    - (A) any monies borrowed by Coote or any Related Entity of Coote being or becoming repayable or being capable of being declared repayable immediately or earlier than the repayment date stated in such agreement or instrument;
    - (B) any such agreement or other instrument being terminated or varied or any action being taken or arising under it;
    - (C) the interest of Coote or any Related Entity of Coote in any firm, joint venture, trust, corporation or other entity (or any arrangements relating to such interest) being terminated, varied or required to be transferred or redeemed; or
    - (D) the business of Coote or any Related Entity of Coote with any other person being adversely affected; or
  - (ii) no licence, authority, permission or other instrument issued by a Government Agency to or otherwise held by Coote or any of its Related Entities is or is able to be revoked, withdrawn, terminated or varied such that it results, or could reasonably be expected to result, in a Coote Material Adverse Change.

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- (f) between the Announcement Date and the end of the Offer Period (each inclusive), except for any distribution which has been publicly announced by Coote on the ASX before the Announcement Date, Coote does not make or declare, or announce an intention to make or declare, any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie).
  - (g) none of the prescribed occurrences specified in Section 652C of the Corporations Act happens between the Announcement Date and the end of the Offer Period (each inclusive).
  - (h) at all times during the period from the Announcement Date to the end of the Offer Period, Coote promptly (and in any event within 2 Business Days) provides to Elph a copy of all information which is not generally available (within the meaning of the Corporations Act) relating to Coote or any Related Entity of Coote or any of their respective businesses or operations that has been provided by Coote or any Related Entity of Coote or any of their respective officers, employees, advisers or agents to any person (other than Elph) for the purpose of soliciting, encouraging or facilitating a proposal or offer by that person, or by any other person, in relation to a transaction under which:
    - (i) any person (together with its Associates) may acquire Voting Power of 5% or more in Coote or any Related Entity of Coote (whether by way of takeover bid, compromise or arrangements under Part 5.1 of the Corporations Act, or otherwise);
    - (ii) any person may acquire, directly or indirectly (including by way of joint venture, dual listed company structure or otherwise), any interest in all or a substantial part of the business or assets of Coote or of any Related Entity of Coote; or
    - (iii) that person may otherwise acquire control of or merge or amalgamate with Coote or any Related Entity of Coote.
  - (i) between the Announcement Date and the end of the Offer Period, Elph does not become aware that any document filed by or on behalf of Coote, or by or on behalf of any person in relation to Coote, with ASX or ASIC contains a statement which is incorrect or misleading in any material particular or from which there is a material omission.

### **Nature of conditions**

6.2 Each of the conditions set out in each paragraph and subparagraph of Clause 6:

- (a) constitutes and will be construed as a separate, several and distinct condition and each of the conditions will not be taken to limit the meaning and effect of any other condition;
- (b) is a condition subsequent; and
- (c) until the expiration of the Offer Period (or in the case of a defeating condition that relates to a circumstance or event referred to in subSection 652C(1) or (2) of the Corporations Act, until three business days after the end of the Offer Period) will be for the benefit of Elph alone and may be relied upon only by Elph.

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**Effect of breach or non-fulfilment**

6.3 The breach or non-fulfilment of any of the conditions subsequent set out in Clause 6 does not, until the end of the Offer Period, prevent a contract arising to acquire your Shares resulting from your acceptance of this Offer, but if at the end of the Offer Period (or, in the case of a defeating condition that relates to a circumstance or event referred to in subsection 652C(1) or (2) of the Corporations Act, at the end of three business days after the end of the Offer Period), in respect of any condition in Clause 6:

- (a) Elph has not declared the Offer (and they have not become) free from that condition; or
- (b) that condition has not been fulfilled,

all contracts resulting from acceptance of this Offer and all acceptances that have not resulted in binding contracts are automatically void. In such a case, Elph reserves the right to either destroy or despatch at your risk your Acceptance Form and any other documents forwarded by you, to your address as shown on the Coote register of members, where such address is inside Australia, pre-paid ordinary post, or, where such address is outside Australia, pre-paid airmail. Elph will also notify ASTC of the lapse of the Offer in accordance with rule 14.19 of the ASTC Settlement Rules.

**Elph may decide its Offer is free from all or any of the conditions**

6.4 Elph may at any time at its sole discretion, but in compliance with Section 650F and Section 630 of the Corporations Act declare the Offer free from all or any of the conditions set out in each paragraph and subparagraph of Clause 6 which are capable of being waived by notice in writing to Coote:

- (a) in the case of a defeating condition that relates to the happening of a circumstance or event referred to in subSection 652C(1) or (2) of the Corporations Act – not later than three business days after the end of the Offer Period; and
- (b) in any other case – not later than seven days before the end of the Offer Period.

**Date for giving notice on status of conditions**

6.5 The date for giving a notice on the status of the conditions as required by Section 630(1) of the Corporations Act is 23 April 2010, subject to variation in accordance with Section 630(2) of the Corporations Act in the event that the Offer Period is extended.

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## 7. EFFECT OF ACCEPTANCE

### Effect of acceptance

- 7.1 By accepting this Offer in accordance with Clause 4 (including where the Offer is caused to be accepted in accordance with the ASTC Settlement Rules), you will, or will be deemed to have:
- (a) irrevocably authorised Elph to alter the Acceptance Form on your behalf by:
    - (i) inserting correct details of your Shares;
    - (ii) filling in any blanks remaining on the Acceptance Form; and
    - (iii) rectifying any errors in, and omissions from, the Acceptance Form,as may be necessary to make the Acceptance Form an effectual acceptance of this Offer and to enable registration of the transfer of your Shares to Elph;
  - (b) accepted this Offer (and any variation of it) and agreed to its terms and conditions, in respect of 35% of your Shares, or any lesser number, (together with all Rights attaching to them), any difference between that number and the number of Shares shown in the Acceptance Form, unless Clause 1.7 applies in which case you will, or will be deemed to have, accepted this Offer in respect of all of your Shares;
  - (c) subject to the Offer being declared free from the conditions set out in Clause 6 (or those conditions being fulfilled), agreed to transfer 35%, or any lesser number, of your Shares to Elph unless Clause 1.7 applies in which case you will, or will be deemed to have, agreed to transfer all of your Shares;
  - (d) represented and warranted to Elph:
    - (i) as a condition of the contract resulting from your acceptance of the Offer, that at the time of acceptance and at the time of transfer to Elph:
      - (A) you have paid to Coote all amounts which are due for payment in respect of your Shares;
      - (B) all of your Shares are fully paid and Elph will acquire good title to your Shares and full beneficial ownership of your Shares free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise and restrictions on transfer of any kind; and
      - (C) you have full power and capacity to accept this Offer and to sell and transfer the legal and beneficial ownership of your Shares (together with all Rights attaching to them) to Elph;
  - (e) with effect from the later of the acceptance of this Offer and the date that any contract resulting from acceptance of this Offer becomes, or is declared, free from its conditions, appointed Elph and each of its directors, secretaries and other officers from time to time severally as your agent and true and lawful attorney, with power to do all things which you could lawfully do concerning your Shares or in exercise of any right or power derived from the holding of your Shares, including, without limitation, to:
    - (i) attend and vote in respect of your Shares at any meeting of Coote;
    - (ii) appoint a proxy or proxies to attend and vote on your behalf in respect of your Shares at any meeting of Coote;
    - (iii) requisition or join with other holders of Shares in requisitioning or convening (or both) a meeting of Coote;

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- (iv) demand a poll for any vote to be taken at any meeting of Coote;
  - (v) propose or second any resolution to be considered at any meeting of Coote;
  - (vi) receive from Coote or any other party, and retain, any share certificates which were held by Coote, or any other party;
  - (vii) sign all documents (including an instrument appointing one of Elph's directors as a proxy in respect of any or all of your Shares and any application to Coote for a replacement certificate in respect of any share certificate which has been lost or destroyed) and resolutions relating to your Shares, and generally to exercise all powers and rights which you may have as a Shareholder and perform such actions as may be appropriate in order to vest good title in your Shares (together with all Rights attaching to them) in Elph; and
  - (viii) do all things incidental and ancillary to the foregoing,

and to have agreed that in exercising the powers conferred by that power of attorney, the attorney may act in the interests of Elph as the intended registered holder and beneficial holder of your Shares. This appointment is irrevocable and terminates upon registration of a transfer to Elph of your Shares. Elph will indemnify you and keep you indemnified in respect of all costs, expenses and obligations which might be incurred or undertaken as a result of the exercise by an attorney of any powers under this subclause;

- (f) agreed to fully indemnify Elph in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or Securityholder Reference Number or in consequence of the transfer of your Shares to Elph being registered by Coote without production of your Holder Identification Number or Securityholder Reference Number;
- (g) irrevocably authorised Elph (and any nominee or nominees of Elph) to notify Coote on your behalf that your place of address for the purpose of serving notices upon you in respect of your Shares is the address as specified in the notification, and that all such notices are to be marked care of Elph and to have directed Coote to serve all correspondence, payments or notifications in respect of any Rights and other communications and documents whatsoever in respect of those Shares to Elph at that address;
- (h) irrevocably authorised and directed Coote to pay Elph, or to account to Elph for, all Rights in respect of your Shares, subject, however, to any such Rights being received by Elph being accounted for by Elph to you if this Offer is withdrawn or any contract resulting from your acceptance of this Offer is rescinded or rendered void;
- (i) irrevocably authorised Elph (and any nominee or nominees of Elph) to cause a message to be transmitted in accordance with ASTC Settlement Rule 14.17.1 (and at a time permitted by ASTC Settlement Rule 14.17.1(b)) so as to transfer your Shares to Elph's Takeover Transferee Holding (as defined in the ASTC Settlement Rules), regardless of whether Elph has at that time paid or provided the consideration due to you under this Offer; and
- (j) agreed, subject to the conditions in Clause 6 being satisfied or waived, to execute all documents, transfers and assurances as may be necessary or desirable to convey your Shares and Rights to Elph.

- 
- 7.2 Elph may at any time deem the receipt of a signed Acceptance Form to be a valid acceptance of this Offer even though you omit to include your share certificate(s) (if any) or there is not compliance with any one or more of the other requirements for acceptance but, if Elph does so, Elph is not obliged to make the consideration available to you until all of the requirements for acceptance have been met.

#### **Continuing representations and warranties**

- 7.3 The representations, warranties, undertakings and authorities referred to in Clause 7.1 and this Clause 7 will (unless otherwise stated) remain in force after you receive the consideration for your Shares and after Elph becomes registered as holder of them.

## **8. ACCEPTANCES BY TRANSFEREES AND NOMINEES**

#### **Who may accept the Offer**

- 8.1 During the Offer Period:
- (a) subject to Clause 1.6 any person who is able to give good title to a parcel of your Shares may accept (if they have not already accepted an offer in the form of this Offer for those Shares) as if an offer on terms identical with this Offer has been made to them; and
  - (b) any person who holds one or more parcels of Shares as trustee or nominee, or otherwise on account of another person, may accept as if a separate and distinct offer had been made in relation to:
    - (i) each of those parcels; and
    - (ii) any parcel they hold in their own right.

#### **Holding Shares**

- 8.2 A person is taken to hold Shares if the person is registered as the holder of those Shares.

#### **Holding Shares on trust or as a nominee**

- 8.3 A person is taken to hold 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 Shares; and
  - (b) hold their interest in the Shares on trust for, as nominee for, or on account of, that other person.

#### **Effective acceptance**

- 8.4 An acceptance of an offer pursuant to Clause 8.1(b) is ineffective unless:
- (a) the person who holds on account of another person, gives Elph a notice stating that the Shares consist of a separate parcel; and
  - (b) the acceptance specifies the number of Shares in the parcel.

#### **Notice of acceptance**

- 8.5 A notice under Clause 8.4(a) must be made:
- (a) if it relates to Shares entered on a CHESSE subregister – in an electronic form approved by the ASTC Settlement Rules; or
  - (b) otherwise – in writing.

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**Person may accept for two or more parcels**

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

**9. OTHER MATTERS****Notices and other communications**

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

- (a) is delivered to your address as recorded on the register of members of Coote; or
- (b) is sent by pre-paid ordinary mail, or in the case of an address outside Australia by pre-paid airmail, to you at that address.

**Return of documents**

9.2 If:

- (a) this Offer is withdrawn after your Acceptance Form has been sent to Elph, but before it has been received; or
- (b) for any other reason Elph does not acquire the Shares to which your Acceptance Form relates, Elph reserves the right to either destroy or despatch at your risk your Acceptance Form and any other documents forwarded by you, to your address as shown on the Coote register of members, where such address is inside Australia, pre-paid ordinary post, or, where such address is outside Australia, pre-paid airmail.

**Costs and expenses**

9.3 All costs and expenses of the preparation, despatch and circulation of the Offer and all stamp duty payable in respect of a transfer of Shares in respect of which Offer are accepted, will be paid by Elph. If you hold your Shares through a bank, broker or nominee which charges transaction fees or service charges in connection with your acceptance of the Offer, Elph will not pay those fees or charges.

**Withdrawal**

9.4 Elph may withdraw any unaccepted Offer at any time with the written consent of ASIC and subject to the conditions (if any) specified in such consent.

**Variation**

9.5 Elph may vary this Offer in accordance with the Corporations Act.

**Governing Law**

9.6 This Offer and any contract that results from your acceptance of this Offer are governed by the laws in force in Victoria.

# ANNEXURE 2

# COOTE

# ANNOUNCEMENTS

The list below is of Coote announcements made since the announcement of its 2009 Annual Report.

Date	Description of Announcement
11 March 2010	Engineering and Construction Conference – Presentation
10 March 2010	Change in substantial holding
8 March 2010	Directors' Statement regarding takeover
5 March 2010	Extension of Bank Credit Facilities
3 March 2010	All cash proportional takeover offer
1 March 2010	Half Yearly Report and Accounts
3 February 2010	Change in substantial holding from EQT
15 January 2010	Lapsed Options – Appendix 3B
14 January 2010	Final Director's Interest Notice
14 January 2010	Lapsed Options and Change of Director's Interest Notice
29 December 2009	Appendix 3B
29 December 2009	Cleansing Notice
29 December 2009	Becoming a substantial holder from EQT
23 December 2009	Appendix 3B Notice
23 December 2009	Cleansing Notice
21 December 2009	Results of Meeting
10 December 2009	Change in substantial holding
9 December 2009	Cleansing Notice
9 December 2009	Appendix 3B
27 November 2009	2009 AGM Presentation
27 November 2009	Results of 2009 Annual General Meeting
27 November 2009	Chairman's Address – 2009 Annual General Meeting
27 November 2009	Convertible Note – Notice of Conversion
26 November 2009	Change in substantial holding
24 November 2009	Appendix 3B
24 November 2009	Cleansing Notice
20 November 2009	Cleansing Notice
18 November 2009	Notice of Extraordinary General Meeting/Proxy Form
18 November 2009	Coote Industrial 2009 Share Purchase Plan
18 November 2009	Reinstatement to Official Quotation
18 November 2009	A\$40 Million Capital Raising
18 November 2009	Investor Presentation November 2009
18 November 2009	A\$40 Million Capital Raising
16 November 2009	Suspension from Official Quotation
12 November 2009	Request for Trading Halt
12 November 2009	Trading Halt
9 November 2009	Market Update
29 October 2009	Distribution Agreement with Guascor Power SAU

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# CORPORATE DIRECTORY

**Directors**

Dale Elphinstone  
Cheryl Elphinstone  
Vincent De Santis

**Company Secretary**

Vincent De Santis

**Principal and Registered Office**

Elph Pty Ltd  
141-143 Wilson Street  
Burnie TAS 7320

**Share Registry**

Computershare Investor Services Pty Limited  
GPO Box 52  
Melbourne VIC 3001

**Legal Adviser**

Baker & McKenzie  
Level 19, 181 William Street  
Melbourne VIC 3000

**Financial Adviser**

RBS Morgans Corporate Limited  
Level 7, 88 Phillip Street  
Sydney NSW 2000

**If you have any queries regarding how to accept the Offer, please call the Offer Information Line on 1300 733 145 for callers within Australia and +612 8256 3362 for callers outside Australia.**



**Elph Pty Ltd**  
141-143 Wilson Street  
Burnie TAS 7320



**ELPH PTY LTD**

ABN 52 070 012 252

**Computershare**

Please return completed form to:  
Computershare Investor Services Pty Limited  
GPO Box 52 Melbourne  
Victoria 3001 Australia  
Enquiries (within Australia) 1300 733 145  
(outside Australia) +61 2 8256 3362



**A**

000001  
000  
SAM  
MR JOHN SMITH 1  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

Holder Identification Number (HIN)



X 1234567890 IND

Use a **black** pen.  
Print in **CAPITAL** letters  
inside the grey areas.

A B C

1 2 3

For your security keep your SRN/HIN confidential.

## Acceptance Form - CHES Holding

This is a personalised form for the sole use of the holder and securityholding recorded below. It is an important document and requires your immediate attention. If you are in doubt about how to deal with it, please consult your financial or other professional adviser. This form relates to an offer ("Offer") by Elph Pty Ltd ("Elph") to acquire 35% of your Shares in Coote Industrial Limited ("Coote") ABN 99 120 432 144 pursuant to a Bidder's Statement dated 17 March 2010 and any replacements or supplements (the "Bidder's Statement"). Terms defined in the Bidder's Statement but not in this form have the same meaning as in the Bidder's Statement unless the context requires otherwise.

### Use this form to accept Elph's Offer for your Coote Shares

#### **B** Consideration

The consideration applicable is that set out in section 2.1 of the Offer Terms. Subject to these terms, you may only accept this Offer for up to 35% of your Shares but not a greater proportion.

#### **C** To be completed by Securityholder

To accept the Offer for 35% of your Coote Shares, mark the box to the left unless you specify a fewer number of Coote Shares below.

If you wish to accept for less than 35% of your Coote Shares, mark the box to the left and write in the box on the right the number of Coote Shares you wish to accept.

\_\_\_\_\_

In the event that you provide an indistinct election, by for example marking both boxes or by omitting to mark any box, you will be taken to have made an election to accept the offer in respect of the full 35% of your shares.

As you hold your Coote Shares in a CHES holding (see "subregister" above), to accept Elph's Offer you can either:

- Instruct your Controlling Participant directly - normally your stockbroker
- or
- Authorise Elph to contact your Controlling Participant on your behalf, which you can do by signing and returning this form. By signing and returning this form you will be deemed to have authorised Elph to contact your Controlling Participant directly.

#### **D** Contact details

Please provide your contact details in case we need to speak to you about this form.

Name of contact person

\_\_\_\_\_

Contact person's daytime telephone number

( ) \_\_\_\_\_

#### **E** Sign here - this section must be signed before we can process this form.

By signing and returning this acceptance form I/We accept Elph's Offer in respect of the Shares as set out above and I/we hold and I/we agree to be bound by the terms and conditions of Elph's Offer (on the back of this form) and transfer those Shares to Elph for the Offer consideration.

Individual or Securityholder 1

\_\_\_\_\_

Sole Director and Sole Company Secretary

Individual or Securityholder 2

\_\_\_\_\_

Director

Individual or Securityholder 3

\_\_\_\_\_

Director/Company Secretary

Elph reserves the right to make amendments to this form as set out in the Offer terms. Please refer to the lodgement instructions overleaf.

See back of form for completion guidelines  
<Broker PID>

CXG\_TKO

1TCO

SAMP\_PAYMENT\_000000/000001/000001/1

# How to complete this form

## Acceptance of Elph's Offer

### A Registration Details

The Coote Shares are currently registered in the name(s) printed on this form. Your consideration will be issued in the name(s) which appear(s) on Elph's copy of the register. If you have already sold all your Coote Shares shown overleaf, you need not take any further action.

### B Consideration

The cash consideration payable is that set out in section 2.1 of the Offer terms.

### C How to accept Elph's Offer

As your Coote Shares are in a CHESS holding, you may contact your Controlling Participant directly (normally your stockbroker) with instructions to accept Elph's Offer. If you do this, you will need to sign and return this Acceptance Form to your Controlling Participant. If you want Elph to contact your Controlling Participant on your behalf, sign and return this form to the address below so that it is received in sufficient time to allow your instruction to be acted upon by the close of the Offer Period. This will authorise Elph to instruct your Controlling Participant to initiate acceptance of Elph's Offer on your behalf. If you sign and return this Acceptance Form, you warrant to Elph (and authorise Elph to warrant on your behalf) that you have full legal and beneficial ownership of the Coote Shares to which this Acceptance Form relates and that Elph will acquire them free from all mortgages, charges, liens, encumbrances (whether legal or equitable), restrictions on transfer of any kind and free from any third party rights.

**Neither Elph nor Computershare Investor Services Pty Limited ('CIS') will be responsible for any delays incurred by this process. You should allow sufficient time for your Controlling Participant or Elph to initiate the acceptance of Elph's Offer on your behalf.**

### D Contact details

Enter the name of a contact person and telephone number. These details will only be used in the event that the registry has a query regarding this form.

### E Signature(s)

You must sign the form as follows in the space provided:

Joint holding: where the holding is in more than one name all of the securityholders must sign.

Power of Attorney: to sign under Power of Attorney, you must attach a certified copy of the Power of Attorney to this form when you return it.

Deceased Estate: all executors must sign and, a certified copy of Probate or Letters of Administration must accompany this form.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

### Lodgement of Acceptance Form

This Acceptance Form must be received by CIS in sufficient time to allow your instruction to be acted upon by 7:00pm AEST on the last day of the Offer Period. You should allow sufficient time for this to occur. Return this Acceptance Form to:

#### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 52  
MELBOURNE VIC 3001

**Neither CIS nor Elph accepts any responsibility if you lodge the Acceptance Form at any other address or by any other means.**

### Privacy Statement

Personal information is collected on this form by CIS, as registrar for Elph, for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act, you may be sent material (including marketing material) approved by Elph in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail [privacy@computershare.com.au](mailto:privacy@computershare.com.au)

Please note this form may not be used to change your address.

If you have any queries regarding how to accept the Offer please call 1300 733 145 or (outside Australia) +61 2 8256 3362

1 T C O

C X G \_ T K O

**Please return the completed form in the envelope provided or to the address opposite:**

Computershare Investor Services Pty Limited  
GPO Box 52  
Melbourne Victoria 3001  
Australia



110971\_00Y3AC



# How to complete this form

## Acceptance of Elph's Offer

### A Registration Details

The Coote Shares are currently registered in the name(s) printed on this form. Your consideration will be issued in the name(s) which appear(s) on Elph's copy of the Coote register.

If you have already sold all your Coote Shares shown overleaf, you need not take any further action.

### B Consideration

The cash consideration payable is that set out in section 2.1 of the Offer Terms.

### C How to accept Elph's Offer

As your Coote Shares are held in an Issuer Sponsored Holding, complete and return this form to the address below so that it is received by no later than 7:00pm AEST by the end of the Offer Period.

If you sign and return this Acceptance Form, you warrant to Elph (and authorise Elph to warrant on your behalf) that you have full legal and beneficial ownership of the Coote Shares to which this Acceptance Form relates and that Elph will acquire them free from all mortgages, charges, liens, encumbrances (whether legal or equitable), restrictions on transfer of any kind and free from any third party rights.

**Neither Elph or Computershare Investor Services Pty Limited ('CIS') will be responsible for any delays incurred by this process.**

### D Contact details

Enter the name of the person that you authorise us to contact and their business hours telephone number. These details will only be used in the event that the registry has a query regarding this form.

### E Signature(s)

You must sign the form as follows in the space provided:

- Joint holding: where the holding is in more than one name all of the securityholders must sign.
- Power of Attorney: to sign under Power of Attorney, you must attach a certified copy of the Power of Attorney to this form when you return it.
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If you have any queries regarding how to accept the Offer please call 1300 733 145 or (outside Australia) +61 2 8256 3362

**Please return the completed form in the envelope provided or to the address opposite:**

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Melbourne Victoria 3001  
Australia

