

**Elph Supplementary Bidder's Statement – Broker Handling Fees**

16 April 2010

Elph Pty Ltd has today lodged the attached Supplementary Bidder's Statement in respect of its all cash off-market proportional takeover offer to acquire up to 35% of the issued shares in Coote Industrial Limited.

Elph will pay a broker handling fee of 0.75% to brokers in respect of valid retail acceptances of its offer. The maximum fee per accepting shareholder will be capped at \$750. Payment will be dependent on the offer being declared unconditional and on the other conditions referred to in the Supplementary Bidder's Statement.

Elph is reviewing Coote's Target's Statement and will be providing a separate announcement in relation to matters contained in it.

For further enquiries, please contact either:

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Supplementary Bidder's Statement

This document is a Supplementary Bidder's Statement dated 16 April 2010 made by Elph Pty Ltd (Elph) under section 643 of the *Corporations Act 2001*. This Supplementary Bidder's Statement supplements and is to be read together with the Elph Bidder's Statement dated 17 March 2010 (Bidder's Statement). A copy of this Supplementary Bidder's Statement was lodged with ASIC on 16 April 2010. Neither ASIC nor any of its officers takes any responsibility for the contents of this Supplementary Bidder's Statement. This Supplementary Bidder's Statement will prevail to the extent of any inconsistency with the Bidder's Statement. Words defined in the Bidder's Statement have the same meaning in this Supplementary Bidder's Statement unless the contrary intention appears.

1. Section 4 – Additional Information

A new sub-section 4.6 entitled 'Broker Handling Fees' is included as follows:

Elph will pay a broker handling fee of 0.75% to brokers in respect of valid retail acceptances of the Offer which, for issuer sponsored holdings, bear the broker's official stamp or are initiated by the broker via CHESS and where the broker submits a valid fee claim form. The maximum fee per accepting Shareholder will be capped at \$750. Payment will be dependent on the Offer being declared unconditional and on the other conditions referred to in the Offer Terms in Annexure 1. Brokers with any queries should contact RBS Morgans Corporate Limited on +612 8215 5058.

2. Annexure 1 – Offer Terms

A new clause 10 in the Offer Terms in Annexure 1 entitled 'Broker Handling Fees' is included as follows:

Subject to the conditions set out below, Elph will pay a broker handling fee to brokers in respect of valid acceptances received from retail Shareholders in connection with the Offer. A retail shareholder of Coote is a Shareholder who is not a broker or an Associate of a broker and who as at the date of the acceptance holds less than \$500,000 worth of Shares (as measured by the Offer consideration). A broker handling fee on the terms and subject to the conditions set out below will be payable to a broker in respect of all valid retail acceptances received by Elph for Shares which, for issuer sponsored holdings, bear the broker's official stamp or are initiated by the broker via CHESS and where the broker submits a valid broker fee claim form.

The broker handling fee will be 0.75% of the Offer consideration paid for the Shares covered by the acceptance. The maximum fee per accepting Shareholder will be capped at \$750. Brokers are precluded from receipt of payment of any broker handling fee in respect of Shares in which they or their Associates have Relevant Interests. To qualify for the broker handling fee, the broker fee claim form must be received by RBS Morgans Corporate Limited within 5 Business Days following the end of the Offer Period. Brokers with any queries should contact RBS Morgans Corporate Limited on +612 8215 5058.

Set out below are further conditions attaching to the offer of a broker handling fee:

- (a) the submission of any broker fee claim form and acceptance bearing a broker's official stamp will constitute an acknowledgment by the relevant broker that it has represented to Elph that:
 - (i) neither it nor an Associate of it is the accepting Shareholder;*
 - (ii) the broker handling fee will not be shared directly or indirectly with the accepting Shareholder; and*
 - (iii) it and the accepting Shareholder are not Associates for any other reason under the Corporations Act;**

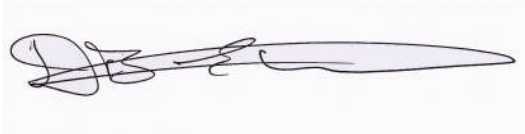
- (b) *for Shareholders on the CHESS subregister, where that Shareholder directly requests Elph (and not the relevant CHESS participant) to initiate acceptance of the Offer on their behalf, that broker will not be entitled to claim or receive the broker handling fee;*
- (c) *the broker handling fee will only be payable if the Offer become unconditional;*
- (d) *subject to the terms set out above, payment of the broker handling fee will be made by cheque or electronic transfer within 10 Business Days of the end of the Offer Period; and*
- (e) *the broker handling fee is for acceptances from retail Shareholders only.*

Elph reserves the right in its absolute discretion not to pay broker handling fees on acceptances it deems to be from the same Shareholder, non-retail Shareholders or acceptances that appear to have been split.

3. Directors' authorisation

This Supplementary Bidder's Statement has been approved by resolution of the Elph Board.

Signed by Dale Elphinstone, the Executive Chairman of Elph.



16 April 2010