

ASX / Media Release

28 June 2019

Proposed Takeover Offer by Qube

Qube Holdings Limited (ASX:QUB) (**Qube**) has today announced its intention to make an off-market takeover offer (**Offer**), through its indirectly wholly owned subsidiary, Qube Logistics (Aust) Pty Ltd, for all of the ordinary shares in Chalmers Limited (ASX: CHR) (**Chalmers Shares**).

Qube has announced that it intends to offer the holders of Chalmers Shares the option to elect to receive consideration under the Offer of either (but not a combination of both):

- **2.31 Qube shares** per Chalmers share (the **Scrip Option**); or
- **A\$6.50 cash** per Chalmers share (the **Cash Option**).

Based on the closing price of \$3.03 for Qube shares on 27 June 2019, the consideration under the Scrip Option values Chalmers' share capital at approximately **A\$53 million** or **A\$7.00 per share**.

This represents a:

- **49% premium** to the closing price of Chalmers shares on 27 June 2019 of **A\$4.70**;
- **61% premium** to the 1 month VWAP of Chalmers shares of **A\$4.34**;
- **69% premium** to the 3 month VWAP of Chalmers shares of **A\$4.13**; and
- **72% premium** to the 6 month VWAP of Chalmers shares of **A\$4.08**.

The Offer will be conditional upon (among other things): Qube acquiring a relevant interest in 90% of Chalmers Shares; no material adverse change in relation to Chalmers; no undisclosed change of control provisions affecting material contracts or assets of Chalmers¹ and no prescribed occurrences in relation to Chalmers. The Offer conditions are set out in a Schedule to Qube's ASX announcement today.

In assessing the Offer, the Board of Chalmers notes that:

- the consideration under the Offer represents a substantial and attractive premium to where Chalmers Shares have traded on ASX in the last 12 months;
- the structure of the Offer enables Chalmers shareholders to share in the continued growth of the business as part of the broader Qube group under the Scrip Option or to receive a certain cash amount of A\$6.50 per share under the Cash Option; and
- the Offer delivers benefits to Chalmers employees through Qube's ability to continue to invest and grow the Chalmers business as well as providing new opportunities for employees to move to roles in the broader Qube organisation.

¹ There is a change of control provision in Chalmers' Port of Brisbane lease, which has been disclosed to Qube in its due diligence process.
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Chalmers Executive Chairman Graham Mulligan said:

"The proposal to purchase all of the shares in Chalmers under the Offer is clearly compelling and represents a significant premium to the recent share price performance. The Offer provides an opportunity for Chalmers shareholders to receive value for their shareholding and participate in the future growth of Chalmers as part of the Qube business."

The Directors of Chalmers intend to unanimously recommend that Chalmers shareholders accept the Offer, in the absence of a superior proposal.

The Directors of Chalmers intend to elect to receive the Scrip Option with respect to the Chalmers shares that they own or control."

Indicative timetable

It is expected that the Bidder's Statement will be received by Chalmers on Monday, 1 July 2019.

The full terms and conditions of the Offer will be set out in the Bidder's Statement, which Qube expects to despatch to Chalmers shareholders by Monday, 8 July 2019 (with the Directors of Chalmers having given their consent to early despatch), at which time the Offer will open for acceptance.

The Board will keep shareholders informed of further developments and will provide a formal recommendation with respect to the Offer in its Target's Statement, which will allow shareholders to make an informed decision. The Target's Statement will be released within 15 days of the Bidder's Statement being sent to shareholders.

Chalmers is being advised by JB North & Co and HWL Ebsworth Lawyers.

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About Chalmers

Chalmers is an integrated logistics and supply chain management operation. After initially operating in the inner Melbourne city, Chalmers has expanded and currently the head office resides in Yarraville, 7km from Melbourne's ports. In 1995, Chalmers commenced operations in Brisbane and have since moved into a purpose built facility in the heart of Brisbane's port precinct.