Computershare announces cash offer of $3.40 per share for QM Technologies
QM Technologies Board unanimously recommends Computershare’s offer

Computershare Limited (ASX: CPU) today announced that Computershare Communication Services Limited (a wholly owned subsidiary of Computershare Limited) ("Computershare") intends to make a cash takeover offer for all of the shares in QM Technologies Limited (ASX: QMT) ("QMT") at a price of $3.40 per share ("Computershare Offer").

The Board of QMT unanimously recommend that QMT shareholders accept the Computershare Offer, in the absence of a superior offer.

Each of the QMT Directors, including Neville Morgan and Frank Youngleson, and a major shareholder JGL Investment Group intend to accept the Computershare Offer in respect of all QMT shares they or their associated entities own or control, in the absence of a superior offer.

Collectively the QMT Directors and JGL Investment Group and their associated entities own or control approximately 45% of all QMT shares on issue.

The Computershare Offer represents a very substantial premium for QMT shareholders. In particular, it represents:

- a 51.1% premium to the closing share price on Tuesday 5 February 2008, being the date prior to the announcement of the Computershare Offer;
- a 40.5% premium to the one month volume weighted average share price; and
- a 29.7% premium to the three month volume weighted average share price.

QMT also announced that it will pay an interim dividend of 7.5 cents per share in respect of the half year ended 31 December 2007. The record date for this dividend will be 18 February 2008 and the payment date will be 29 February 2008. Computershare’s offer price of $3.40 per share will not be reduced as a result of the payment of the interim dividend of 7.5 cents per share.

The Computershare Offer values QMT’s ordinary equity at approximately $153 million and provides QMT shareholders with the opportunity to realise an attractive value for their QMT shares. QMT shareholders will not incur any brokerage charges by accepting the Computershare Offer.

The offer price of $3.40 per share is final in the absence of a competing proposal.¹

Computershare’s President and CEO, Stuart Crosby, said: "We are impressed by QMT’s history of developing innovative solutions for its customers and its strong culture. We are excited by the prospect of combining our Communication Services division with QMT to create Australia’s leading transaction communications business which provides an extensive range of inbound data capture, outbound delivery services and document management solutions."

"We intend to implement the acquisition quickly so that we can deliver the benefits of this transaction to shareholders, staff and customers."

"The acquisition is expected to be management EPS accretive in the first full year of ownership."
Computershare’s Regional Director - Australasia, Mark Davis, said: “Our Communication Services division will be strengthened by the addition of QMT’s blue chip customer base and capabilities and we have also identified a range of synergies which will improve the profitability of the combined enterprise. We expect total synergies of approximately $8 million per annum to be achieved before the end of the third year of ownership, with one-off restructuring costs of approximately $10 million to be incurred in the integration process.”

QMT’s Chairman, Nerolie Withnall, said: “The Computershare Offer is an attractive offer and provides QMT shareholders with a substantial premium to the current share price. The QMT Board unanimously recommends the Offer subject to there being no superior offer.”

Each of the QMT Directors and a major shareholder, JGL Investment Group, have undertaken to accept the Computershare Offer in respect of all the QMT shares they or their associated entities own or control within two weeks of the despatch of Computershare’s bidder’s statement, in the absence of a superior proposal.

The Computershare Offer is subject to various conditions, including a minimum acceptance condition of 90% and ACCC approval. These conditions are set out in Annexure A.

In recognition of the significant benefits available to QMT shareholders under the Computershare Offer, QMT and Computershare have entered into exclusivity, break fee and other arrangements, a summary of which appears in Annexure B.

Computershare has also agreed to make conditional offers to each option holder to acquire their options at a price equal to the Computershare Offer price less the exercise price for the option.

Computershare and QMT intend to pursue an accelerated timetable for the Computershare Offer and Computershare’s bidder’s statement and QMT’s target’s statement are expected to be despatched to QMT shareholders by the end of February.

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About Computershare Limited
Computershare (ASX: CPU) is a global leader in share registration, employee equity plans, proxy solicitation and other specialised financial, governance and communication services.

Many of the world’s largest companies employ our innovative solutions to maximise the value of their relationships with investors, employees, customers and members.

Computershare has approximately 10,000 employees across the world and serves 14,000 corporations and 100 million shareholders and employee accounts in 17 countries across five continents.

For more information, visit www.computershare.com

About QM Technologies Limited
QM Technologies (ASX: QMT) is a leading provider of essential mail and customer communication management services to Australian businesses, specialising in the integrated delivery of print and electronic communications.

The business was established in 1981 and has operations in Queensland, NSW and Victoria employing approximately 500 staff.

For more information, visit www.qmtechnologies.com

Note:
1. A competing proposal is any alternative or competing proposal for control of, or for the acquisition of a substantial interest in, QMT (or all or part of the business, or any significant assets, of QMT) being made, publicly announced, or publicly foreshadowed or contemplated by any person.
ANNEXURE A

1. **Bid Conditions**

The Offer is subject to the fulfilment of the following conditions.

(a) *(Minimum acceptance condition)* Before the end of the Offer Period, Computershare and its Associates have relevant interests in at least 90% (by number) of all Shares.

(b) *(ACCC)* Before the end of the Offer Period, Computershare has received a written notice from the ACCC stating, or stating to the effect, that:

(i) the ACCC does not propose to intervene or seek to prevent the acquisition of Shares by Computershare pursuant to section 50 of the *Trade Practices Act 1974* (Cth); and

(ii) the ACCC does not seek to impose conditions on Computershare's acquisition of Shares or require undertakings from Computershare (or any Related Entity of Computershare) in relation to the acquisition of Shares.

(c) *(Regulatory approvals)* Before the end of the Offer Period, Computershare receives Regulatory Approvals:

(i) that are necessary to permit the Offer to be lawfully made to, and accepted by, Shareholders; or

(ii) that are required as a result of the Offer or the successful acquisition of Shares under the Offer and are necessary for the continued operation of the business of QMT, substantially on the same terms as that business is conducted as at the date of the Offer,

in each case on an unconditional basis or on the basis of conditions that impose only non-material requirements incidental to the Regulatory Approval, and, at the end of the Offer Period, all of those Regulatory Approvals remain in full force and effect in all respects and are not subject to any notice or indication of intention to revoke, suspend, restrict, modify or not renew those Regulatory Approvals.

As at the date of this announcement, Computershare is not aware of any regulatory approvals in the terms expressed above that are applicable.

(d) *(No regulatory actions)* Between the Announcement Date and the end of the Offer Period (each inclusive):

(i) there is not in effect any preliminary or final decision, order or decree issued by a Government Agency;

(ii) no action or investigation is announced, commenced or threatened by any Government Agency; and

(iii) no application is made to any Government Agency (other than by Computershare or any of its associates),

in consequence of or in connection with the Offer (other than an application to, or a decision or order of, ASIC or the Takeovers Panel for the purpose, or in
exercise, of the powers and discretions conferred on it by the Corporations Act) which restrains or prohibits or impedes, or threatens to restrain, prohibit or impede, or otherwise materially adversely impacts upon, the making of the Offer or the acquisition of Shares under the Offer or the rights of Computershare in respect of its capacity as a shareholder in respect of QMT or the completion of any transaction contemplated by this Offer, or seeks to require the divestiture by Computershare of any Shares, or the divestiture of any material assets of QMT.

(e) **(No material acquisitions, disposals or new commitments)** Except as publicly announced by QMT before the Announcement Date, none of the following events occurs during the period from the Announcement Date to the end of the Offer Period (each inclusive):

(i) QMT or any member of the QMT Group acquires, offers to acquire or agrees to acquire any assets for an amount in aggregate exceeding $250,000 or one or more entities or businesses or assets or makes an announcement in relation to such an acquisition, offer or agreement;

(ii) QMT or any member of the QMT Group disposes of, offers to dispose of or agrees to dispose of one or more entities, businesses or assets (or any interest in one or more entities, businesses or assets) for an amount, or in respect of which the book value (as recorded in QMT’s consolidated balance sheet as at 30 June 2007) is, in aggregate, greater than $250,000, or makes an announcement in relation to such a disposition, offer or agreement;

(iii) QMT or any member of the QMT Group enters into, or offers to enter into or agrees to enter into, any agreement which would require expenditure, or the foregoing of revenue, by QMT of an amount which is, in aggregate, more than $250,000 other than in the ordinary course of business, or makes an announcement in relation to such an entry, offer or agreement; or

(iv) QMT or any member of the QMT Group enters into, or offers to enter into or agrees to enter into, any joint venture or partnership, or makes an announcement in relation to such an entry, offer or agreement.

(f) **(No dividends etc)** Other than a fully franked interim dividend of no more than $0.075 per Share in respect of the half year ended 31 December 2007, between the Announcement Date and the end of the Offer Period (each inclusive), QMT does not make or declare any distribution whether by way of dividend, capital reduction or otherwise and whether in cash or in specie.

(g) **(No Target Material Adverse Change)** Between the Announcement Date and the end of the Offer Period (each inclusive), no Target Material Adverse Change occurs.

For the purpose of this condition:

**Target Material Adverse Change** means an event, occurrence or matter which individually or when aggregated with all such events, occurrences or matters diminish, or could reasonably be expected to diminish, the maintainable
EBITDA by $750,000 or more or the Net Assets by $2,000,000 or more, other than:

(i) an event, occurrence or matter required to be done or procured by QMT pursuant to the Takeover Bid Implementation Agreement or the Takeover Bid;

(ii) an actual event, occurrence or matter which is known to Computershare prior to the Announcement Date (which does not include knowledge of the risk of an event, occurrence or matter happening);

(iii) an event, occurrence or matter that was apparent or reasonably ascertainable by Computershare or its Representatives from:
   (A) documents made available to them by QMT; or
   (B) responses provided to them in interviews with QMT management,
   in the course of the Due Diligence Investigations; or

(iv) an event, occurrence or matter that was apparent or reasonably ascertainable by Computershare or its Representatives from:
   (A) announcements made by QMT to ASX prior to the Announcement Date; or
   (B) information that was publicly available prior to the Announcement Date from databases maintained by ASIC.

EBITDA means earnings from ordinary activities before interest, tax, depreciation and amortisation of QMT on a consolidated basis.

Net Assets means the excess of total assets over total liabilities of QMT on a consolidated basis.

(h) (No prescribed occurrences) During the period from the Announcement Date to the end of the Offer Period (each inclusive), none of the following occurrences (being the prescribed occurrences listed in section 652C of the Corporations Act) happens:

(i) QMT converts all or any of its shares into a larger or smaller number of shares under section 254H of the Corporations Act;

(ii) QMT or any member of the QMT Group resolves to reduce its share capital in any way;

(iii) QMT or any member of the QMT Group enters into a buy-back agreement or resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;

(iv) QMT or any member of the QMT Group issues shares (other than as a result of the exercise of the Options) or grants an option over its shares, or agrees to make such an issue or grant such an option;

(v) QMT or any member of the QMT Group issues, or agrees to issue, convertible notes;
(vi) QMT or any member of the QMT Group disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;

(vii) QMT or any member of the QMT Group charges, or agrees to charge, the whole, or a substantial part, of its business or property;

(viii) QMT or any member of the QMT Group resolves to be wound up;

(ix) a liquidator or provisional liquidator of QMT or of any member of the QMT Group is appointed;

(x) a court makes an order for the winding up of QMT or of a member of the QMT Group;

(xi) an administrator of QMT or of any member of the QMT Group is appointed under section 436A, 436B or 436C of the Corporations Act;

(xii) QMT or any member of the QMT Group executes a deed of company arrangement; or

(xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of QMT or a member of the QMT Group.

2. Definitions

In this Annexure A:

ACCC means the Australian Competition & Consumer Commission.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the financial market it operates, as the context requires.

Associate has the meaning given to that term in Division 2 of Part 1.2 of the Corporations Act as if section 12(1) of that Act included a reference to the Takeover Bid Implementation Agreement.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of QMT and Directors means all of the directors of QMT.

Due Diligence Investigations means the due diligence investigations carried out by Computershare and its Representatives prior to the date of this agreement for the purposes of considering and evaluating the Takeover Bid.

Government Agency means any government or governmental, semi-governmental, administrative, monetary, fiscal or judicial body, department, commission, authority, tribunal, agency or entity including (without limitation) any self-regulatory organisation established under statute or otherwise discharging substantially public or regulatory functions, and ASX or any other stock exchange.

Offer means an offer to acquire Shares to be made by Computershare pursuant to its Takeover Bid.

Offer Period means the period that the Offer is open for acceptance.
**QMT Group** means QMT and its Related Entities.

**Regulatory Approval** means:

(a) any approval, consent, authorisation, registration, filing, lodgement, permit, franchise, agreement, notarisation, certificate, permission, licence, direction, declaration, authority, waiver, modification or exemption from, by or with a Government Agency; or

(b) in relation to anything that would be fully or partly prohibited or restricted by law if a Government Agency intervened or acted in any way after lodgement, filing, registration or notification:

(i) the expiry of any applicable period without intervention or action; or

(ii) the receipt of a statement in writing from the Government Agency that it does not intend to intervene or take action.

**Related Entity** means, in relation to a party, any body corporate which is related to that party within the meaning of section 50 of the Corporations Act.

**Representative** means, in relation to a party:

(a) any of the party's Related Entities; and

(b) any of the officers and advisers of the party or of any of its Related Entities, and in relation to QMT, **Representative** also means any Related Entity, officer or adviser of a body corporate that is controlled by or associated with any Director.

**Share** means a fully paid ordinary share in the capital of QMT, including all shares on issue as at the end of the Offer Period.

**Shareholder** means a holder of one or more Shares.

**Takeover Bid** means a takeover bid to be made by Computershare that satisfies the requirements set out in the Takeover Bid Implementation Agreement and complies with all applicable provisions of the Corporations Act.

**Takeovers Panel** means the Takeovers Panel continued in existence under the *Australian Securities and Investments Commission Act 2001* (Cth).
1. Summary of exclusivity arrangements

Prohibitions

During the Exclusivity Period, QMT must not and must use its best endeavours to ensure that its Directors and Representatives (each a Relevant Person) do not, directly or indirectly:

(a) solicit or initiate any inquiry, expression of interest, offer or proposal or discussions by any person to make a Competing Proposal (including by the provision of non public information);

(b) communicate to any person an intention to do any of the things referred to above;

(c) knowingly encourage any inquiry, expression of interest, offer or proposal or discussions by any person to make a Competing Proposal (including by the provision of non public information);

(d) participate in any negotiations or discussions or provide any information to any person with respect to any inquiry, expression of interest, offer or proposal by any person to make a Competing Proposal;

(e) accept or enter into, or offer to accept or enter into, any agreement, arrangement or understanding regarding a Competing Proposal; or

(f) disclose any information about the business or affairs of QMT to a third party (other than a Government Agency) other than:

(i) in the ordinary course of ordinary business; or

(ii) as required by law; or

(iii) under QMT’s existing contractual obligations; or

(iv) in the ordinary course of making normal presentations to brokers, portfolio investors and analysts;

However, paragraphs (d), (e) and (f) do not prohibit any action or inaction by QMT or any Relevant Person if compliance with the relevant clause would, in the opinion of the Board reasonably formed in good faith in reliance on specific written legal advice, be likely to constitute a breach of any of the Relevant Duties of the Directors. In addition, this carve out does not apply, if any negotiation, discussion, arrangement, understanding, agreement or other conduct or dealing between QMT and a third party contemplated by paragraphs (d), (e) or (f) is facilitated by or as a result of a breach of paragraphs (a), (b) or (c).

Ceasing existing discussions

QMT and each Relevant Person must cease any existing discussions or negotiations relating to:

(a) any Competing Proposal; or
(b) any transaction that may reduce the likelihood of the success of the Takeover Bid.

**Obligations to notify**

During the Exclusivity Period, QMT must immediately notify Computershare in writing of:

(a) any approach, inquiry or proposal made to, or any attempt to initiate discussions or negotiations with QMT or any Relevant Person, regarding a potential Competing Proposal (whether solicited or not); and

(b) any request for information relating to QMT or any of its Related Entities or any of their businesses or operations or any request for access to QMT’s books or records or those of any of its Related Entities, which QMT has reasonable grounds to suspect may relate to a current or future Competing Proposal.

Any notice provided by QMT must include material terms of the Competing Proposal. However, QMT is not required to notify Computershare in the above circumstances if to do so would, in the opinion of the Board reasonably formed in good faith in reliance on specific written legal advice, be likely to constitute a breach of any of the Relevant Duties of the Directors.

**Exceptions from complying with exclusivity arrangements**

QMT will not be obliged to comply with the exclusivity arrangements set out above to the extent that a court of the Takeovers Panel determines that they:

(a) constituted, constitute or would constitute, a breach of the Relevant Duties of the Board or QMT; or

(b) constituted, constitute or would constitute, unacceptable circumstances within the meaning of the Corporations Act; or

(c) was, is or would be, unlawful for any other reason.

**End of solicitation period**

QMT’s obligations under the exclusivity arrangements set out above cease if:

(a) Computershare fails to make offers pursuant to an off market takeover bid under Chapter 6 of the Corporations Act to acquire all Shares on terms not substantially less favourable to Shareholders than the Agreed Bid Terms (as set out in Annexure A to the announcement); or

(b) Computershare withdraws the Takeover Bid after the Takeover Bid is made; or

(c) the Takeover Bid closes.

2. **Reciprocal break fee arrangements**

**When payable by QMT**

QMT must pay Computershare a break fee of $1,530,000 (excluding GST) if at any time after the date of this announcement either:
(a) any Director withdrawing or changes their recommendation that Shareholders accept the Offer made to them under the Takeover Bid, including due to the Directors or any of them recommending a Superior Proposal; or

(b) a Bid Condition is breached or not fulfilled and that breach or non-fulfilment is materially contributed to by any action or inaction of QMT; or

(c) QMT is in breach of any of its obligations under the Takeover Bid Implementation Agreement and, to the extent that the breach is capable of remedy, that breach is not remedied by QMT within 10 Business Days of receiving written notice from Computershare identifying the breach. The parties acknowledge that any breach of the exclusivity arrangements set out above are not capable of remedy; or

(d) QMT is in breach of any of the representations and warranties provided by it under the Takeover Bid Implementation Agreement; or

(e) the proponent of a Competing Proposal acquires voting power of more than 50% in QMT.

**When payable by Computershare**

Computershare must pay QMT a break fee of $1,530,000 (excluding GST) if, at any time after the date of this announcement, Computershare is in breach of its obligations under the Takeover Bid Implementation Agreement and, to the extent that the breach is capable of remedy, that breach is not remedied by Computershare within 10 Business Days of receiving written notice from QMT identifying the breach.

**Payment**

If a party is obliged to pay the break fee to the other party, it must do so within 5 Business Days of receipt of a demand from the other party for the payment of that fee.

**Exceptions**

To the extent that a court of the Takeovers Panel determines that any obligation of a party (Relevant Party):

(a) constituted, constitute or would constitute, a breach of the fiduciary duties or statutory duties of a director of the Relevant Party; or

(b) constituted, constitute or would constitute, unacceptable circumstances within the meaning of the Corporations Act; or

(c) was, is or would be, unlawful for any other reason, the Relevant Party will not be required to pay the Break Fee.

**3. Definitions**

In this Annexure B:

**Board** means the board of directors of QMT.
Business Day means a day on which Australian banks are open for business in Melbourne excluding a Saturday, Sunday or public holiday.

Competing Proposal means a bona fide proposal or offer by any person with respect to any transaction (by purchase, scheme of arrangement, takeover bid or otherwise) that may result in any person (or group of persons) other than Computershare or its Related Entities:
(a) acquiring voting power of more than 50% in QMT or any subsidiary of QMT;
(b) acquiring an interest in all or a substantial part of the assets of QMT or any subsidiary of QMT; or
(c) otherwise acquiring control of, or merging or amalgamating with, QMT or any subsidiary of QMT.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of QMT and Directors means all of the directors of QMT.

Exclusivity Period means the period commencing on the date of the Takeover Bid Implementation Agreement and ending on the earlier of:
(a) the end of the Offer Period; and
(b) the termination of Takeover Bid Implementation Agreement.

Offer means an offer to acquire Shares to be made by Computershare pursuant to its Takeover Bid.

Offer Period means the period that the Offer is open for acceptance.

Relevant Duties means the fiduciary and statutory duties owed by the Directors to QMT and its members and in accordance with the policy set out in section 602(a) of the Corporations Act and the Takeovers Panel’s Guidance Note 7 – Lock-up Devices.

Related Entity means, in relation to a party, any body corporate which is related to that party within the meaning of section 50 of the Corporations Act.

Share means a fully paid ordinary share in the capital of QMT, including all shares on issue as at the end of the Offer Period.

Shareholder means a holder of one or more Shares.

Superior Proposal means a bona fide Competing Proposal which is:
(a) reasonably capable of being valued and completed, taking into account all aspects of the Competing Proposal and the person making it; and
(b) more favourable to QMT’s Shareholders (as a whole) than the Offer, taking into account all the terms and conditions of the Competing Proposal.

Takeover Bid means a takeover bid to be made by Computershare that satisfies the requirements set out in the Takeover Bid Implementation Agreement and complies with all applicable provisions of the Corporations Act.

Takeovers Panel means the Takeovers Panel continued in existence under the Australian Securities and Investments Commission Act 2001 (Cth).